FBIS DAILY REPORT

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ANDEAN PACT COUNCIL ISSUES DECLARATION

PA201930 Bogota EL TIEMPO in Spanish 16 Sep 85 p 8-A

[Declaration issued by the five Andean Pact Council members in Cartagena de Indias on 15 September]

[Text] The ministers, as a result of their deliberations:

1. Reasserted their political support for the countries who are members of the subregional integration process and whose foundations and basic goals are still valid and their decision to strengthen this political support under pragmatic guidelines, in accordance with the current situation in the subregion.

2. Ascertained the problems being encountered by the Andean Group, provoked by various inadequate policies and instruments in the subregional pact concerning the member countries' economic and social reality and worsened by the effects of the international economic crisis.

3. Admitted also that the integration process' crisis has legal, conceptual, and commercial connotations; in order to counter the crisis it is necessary to implement an emergency program and make an overall adjustment to the Cartagena Agreement's insitutional policies, instruments, and mechanisms.

4. Agreed that the emergency program must immediately proceed to restore the subregional exchange mechanisms as well as promote cooperation and coordination actions between the member countries.

5. Reiterated that, despite the need to maintain a multilateral process in order to achieve the goals of a common market, it is convenient to carry out commercial agreements between the countries on a temporary basis so that subregional commerce becomes more dynamic.

6. Agreed to invite the member countries' ministers who are in charge of integration to prepare a draft protocol which modifies the Cartagena Agreement; this document will be jointly analyzed during an Andean Council meeting which will be held this year, during the first half of December.

7. Established the following directions for the negotiations concerning the draft-modifying protocol and other priority topics for Andean integration:

a. Actualize and render more flexible deadlines established in the agreement's various mechanisms; give the commission authority to adjust these deadlines whenever necessary.

b. Actualize the liberation program's mechanisms, maintaining the progress achieved and advocating an equitable participation of all the member countries in the formation of an enlarged market.

c. Reiterate that the system of safeguard clauses [clausulas de salvaguardia] is the only mechanism for the adoption of measures that affect the liberation program; the current regime must be evaluated with the intention of making it more active and effective.

d. Define the norms to regulate the conditions for competition within the subregion, harmonizing the use of incentives for exports, establishing adequate norms, and regulating the use of special tariff systems which affect commercial activities.

e. Establish new rules to achieve joint industrial development in the subregion and make the industrial program more flexible.

f. Strengthen and support the subregional agricultural development firmly creating instruments that allow for joint investigation efforts in agroindustrial projects and the orientation of commercial activities with the intention of guaranteeing food production and improving the living conditions of the rural population in the subregion.

g. Agree to give more favorable terms to Bolivia, given its current state of development and land-locked situation, without affecting what has been stated concerning countries which are less economically developed.

h. Indicate the need to modify the common system for foreign investment in the subregion with the intention of attracting useful foreign investments which complement internal savings, thus supporting the member countries' development plans and integration goals.

i. Revise the Andean Group's institutional system in order to render it more efficient.

j. Stressed the need to improve the Andean financial organizations' operational capacity and define policies which promote a better collection of revenues destined to develop subregional integration.

9. Asserted their willingness to accept the proposals presented by Bolivia concerning the modification of Article 4 of the Cartagena Agreement, within the framework of the various declarations, resolutions, and statements issued in forums and meeting concerning subregional integration.

10. Agreed to give a vigorous impulse to the coordination of joint external actions in order to counter the challenges that their national economies and the subregional integration process face concerning the international economic crisis, the foreign debt problem, commercial protectionism, deterioration in the terms of exchange, and the stalemate reached in international development cooperation.

11. Stated the importance of full participation by the social sectors in all the integration tasks and responsibilities.

ALFONSIN DISCUSSES JUNTA TRIALS, ECONOMY

PM171605 Paris LE MONDE in French 17 Sep 85 pp 1, 6

[Interview with President Raul Alfonsin by Charles Vanhecke in Buenos Aires -- date not given]

[Text] [Vanhecke] Nine former commanders in chief are at present on trial, and three other generals are being judged by the Higher Council of the Armed Forces. But the human rights defense associations say that 1,500 officers and NCO's were involved in torture and repression...

[Alfonsin] Oh? And why have they not lodged a complaint? They have failed in their most basic civic duty. The courts are open to them. Any Argentine citizen has not only the right but the duty to expose crimes he knows about...

[Vanhecke] But are not hundreds of cases being investigated?

[Alfonsin] Yes, where there is evidence, the legal authorities have been informed. It would not be very democratic of me to send people before firing squads. I am working within a legal state. That is the pledge I made.

[Vanhecke] But do you think that those who murdered, raped and tortured...

[Alfonsin] They must be brought to justice.

[Vanhecke] Should they go to prison?

[Alfonsin] They should be brought to justice! It is up to the judges to decide what should be done with them....I said during my election campaign -- this is not something I made up afterward -- and I would very much like to know what other people would have done. I said that there were three levels of responsibility: first, those who decided to do what was done, which was very serious; second, those who went to extremes and tortured people; and finally, those who obeyed orders....How old are you? The members of three military governments are on trial and deprived of freedom. I repeat that no other country in the world has done the same. That is what should be stressed!

[Vanhecke] But do you think there may be more trials?

[Alfonsin] There will be as many trials as there should be! I am living in a legal state. Would you think of asking Mitterrand how many people the courts should put in prison? You would see what his answer would be! Why ask me that question?

[Vanhecke] Does your plan for reconciliation between the Armed Forces and the country presuppose...

[Alfonsin] My plan for reconciliation cannot be separated from the distinction I have drawn between the three levels of responsibility....You know, on the one hand a minority of people tell me I am overindulgent, and on the other hand another minority tells me what I am doing is horrible. I knew that in advance. It has to be that way. More than 80 percent of Argentines agree with what I am doing. Moreover, the human rights organizations do not all hold the same position. Did you ask the people you saw what they think of terrorist subversion?

[Vanhecke] No.

[Alfonsin] And yet that is a question which a journalist ought to ask. Ask those who attack the government what they think of the terrorists. Some people will tell you that they were people who struggled for the homeland...They defend people who behaved in an elitist way, who used repugnant methods to gain power.

[Vanhecke] But the repression was even more repugnant and on a much larger scale...

[Alfonsin] What about killing a guard on a street corner, just because he was a guard?

[Vanhecke] That disgusts me, too. But the repression was out of all proportion to terrorism.

[Alfonsin] You are not going to force me to defend the repression! I have always struggled and will continue to struggle against its methods, against what it represents. I simply want to tell you what kind of people oppose our policy. After all, it is ridiculous that I should have to defend myself against their accusations!

[Vanhecke] Could you explain more clearly what you mean by reconciliation between the Army and the country?

[Alfonsin] It is the distinction we must draw between the bad chiefs the Army had and the Army as an institution. A country cannot function without any army. We must ensure that it has the prestige it ought to have in any society. To the skeptics on the other side, to those who wonder how we can talk about the Armed Forces' prestige without holding new trials, I say: The Armed Forces' prestige is linked to the fact that the bad chiefs have been brought to trial. This is what makes it possible to clarify matters with regard to the rest of the Army.

[Vanhecke] But since it is difficult to gather evidence against the torturers because the repression was carried out secretly and anonymously, with the victims blindfolded and the torturers using false names, there is reason to believe that scarcely anyone will be found guilty...

[Alfonsin] So what would you do? I ask you: What would you do? Answer me!

[Vanhecke] Can nothing be done?

[Alfonsin] Tell me what you would do. If there is no proof, should we just "shoot people" the same way? I think there will be some cases in which we will be able to gather enough evidence to secure a conviction.

[Vanhecke] Several cases?

[Alfonsin] At least. I do not know what progress has been made in all cases under investigation.

[Vanhecke] Prominent members of your party have told me that it was not good for the country to step up the number of trials.

[Alfonsin] No, it is not good. All the foreign politicians with whom I talk say to me: Stop there. How long is it going to go on? I reply: It is up to the legal authorities to decide. I cannot do anything.

[Vanhecke] But when people talk of the "law of calling a halt," what does it mean?

[Alfonsin] All I said was that it is impossible to call a halt by decree.

[Vanhecke] Did you not consider a plebiscite on this subject?

[Alfonsin] No. I think I know the population's opinion on this subject.

[Vanhecke] Do you feel that people are tired of all this, that they want to call a halt and move on to another stage?

[Alfonsin] It is always preferable to look to the future. But the population also wants lessons to be learned.

[Vanhecke] At first you seemed to dissociate yourself from the demands of the international financial community...

[Alfonsin] No, not at all. What I wanted was a discussion of our plan for overcoming the economic crisis. In fact we were convinced that the economic recipes implemented with IMF approval might be valid -- I do not dispute this -- in some developed countries, but not in ours. So what we tried to do for a long time was to persuade the IMF to accept the criteria we wanted to follow. We succeeded in doing so and we are now implementing our own plan, which is original and which is in a way unorthodox compared with the IMF's precedents. We believe it will produce results. It is already producing results.

[Vanhecke] How does it differ from other stabilization plans?

[Alfonsin] By the fact that the price freeze does not really please the IMF.

[Vanhecke] But nonetheless there has been a change in your policy?

[Alfonsin] We could not implement our plan while certain mechanisms were operating in the Central Bank, which was producing extraordinary monetary expansion. And we were only able to end this situation late last year. It was then that we began our most recent negotiations with the IMF, with a view to implementing the southern plan, which is now under way.

[Vanhecke] But at first you thought you could combat inflation and, at the same time, achieve some growth?

[Alfonsin] I still think that. I think we are going to revive the economy. I do not think our plan is one of recession.

[Vanhecke] You gave the impression at first of wanting to revive the economy by increasing purchasing power. In August 1984 purchasing power increased by 6 percent. It is now falling with the plan.

[Alfonsin] That is being discussed, and I would really like to know who will finally win this discussion. There was certainly a temporary drop in purchasing power. But if inflation ends, that means that the wage earned over the month keeps its value throughout that month. Do you not think that is the case?

[Vanhecke] The trade unions say that under a wage freeze, inflation goes on.

[Alfonsin] Yes, but let us suppose that with a wage freeze we have 3-percent inflation this month. In the past inflation was 30 percent a month. So by how much was the wage devalued by the time you reached the 15th day of the month?

(To understand Mr Alfonsin's argument, you have to realize that before the freeze was imposed, wages were readjusted every month. The figure of 3 percent mentioned by the president was in fact the inflation rate for August.)

That is why we say that the reduction in purchasing power is not as large as people claim. You have to look at what price maintenance means over the whole month.

[Vanhecke] Another burning issue is the payment or nonpayment of the foreign debt. When you took office you said you wanted to draw a distinction between the legitimate part of that debt and the part that is not legitimate.

[Alfonsin] Illegitimate debt is when somebody makes a secret deposit abroad and, using that deposit as a guarantee, obtains a foreign loan. That loan cannot be included in the foreign debt. We have tried to draw a distinction between the two kinds of debt, the legitimate and the illegitimate. We have asked for information from all quarters. It is very difficult. There are people who thought that the illegitimate debt was money which had been misappropriated. But it is a legitimately contracted debt, at least in the creditors' eyes! On this point we have not changed at all from what I said during the election campaign...

[Vanhecke] But according to Saul Ubaldini, secretary general of the General Confederation of Labor...

[Alfonsin] Are you trying to question me using other people's arguments? Ask me your own questions. The arguments you are invoking have nothing to do with the Argentine situation.

[Vanhecke] But there are those who say that the illegitimate debt is the one which was not used to finance capital or other spending...

[Alfonsin] No, that is not the case! Or if it is you will have to say that 100 percent of our debt, or at least a large part of it, is not legitimate. Just think: When the Argentine debt was $40 billion, we thought that around $3-5 billion could be regarded as illegitimate. And we did not even succeed in discovering that amount.

[Vanhecke] Do you not think that the Latin American countries should unite to face their creditors?

[Alfonsin] We believe in Latin American integration, not just to face the foreign debt problem, but also to face the fundamental problems posed by the deterioration in the terms of trade, the discrimination we suffer in our foreign trade, and the developed countries' commercial aggression. Argentina has never exported so many goods. But their value constantly falls. The price of corn has fallen by 30 percent, the price of wheat 15 percent, even though it had already fallen by 40 to 50 percent last year, and the price of soya is also falling. All this is because of unfair competition. The EEC, for instance, produces meat at $2,500 per metric ton, but it takes markets from us on the basis of $1,000 per metric ton -- a price which we cannot rival because it costs us more to produce the meat. Not only is it using fierce protectionism against us, but it engages in unprecedented dumping on Third World markets. That is why we must unite: We must use the influence which Latin America has on the world market to secure a fairer international economic order. I repeat that the foreign debt is not everything. We must make a joint effort to avoid widening the technological and scientific gap which separates us from the developed countries.

[Vanhecke] But is this union of which you speak being formed?

[Alfonsin] We have never been as united as we now are. Never in this century have there been so many meetings, so much exchange of information, or even so much friendship among Latin American heads of state. But we must not only make demands: We also have a duty to be serious, deeply serious, in our demand for greater social justice, which is the precondition for peace.

[Vanhecke] What about a joint position for a unilateral moratorium?

[Alfonsin] No, No! That is base propaganda. Our problems are different and more important than that! This does not mean that we should not harmonize our financial policies so that each country operates according to its conditions and its potential.

[Vanhecke] And how can you put an end in Argentina to what you called in a book the prosperity of speculative capitalism at the expense of productive capitalism? How can Argentina be rebuilt on sounder bases?

[Alfonsin] By doing what we are doing. We must first win the battle against inflation, obtain a degree of stability, and channel credit into production. We are going to modernize Argentina very rapidly. We have already made extraordinary progress in that direction.

[Vanhecke] During discussions with ordinary Argentines, I received the impression that many people had reached the point of no longer believing in their leaders or even in their own country. What will you do to restore confidence?

[Alfonsin] You were unlucky. In fact more than 70 percent of Argentines have confidence in their government. It is not I who say so but the opinion polls.

[Vanhecke] Yes, but the opinion polls reflect the situation at one point in time. I was talking about a permanent state of mind...

[Alfonsin] There is another way of looking at things. The Argentine people are busy setting an example for their leaders. There has been a profound change in the country. The people want a responsible attitude, they want an end to slogans. They are asking for rational talk. That is the language we want to use. That is how we will be able to live up to the changes which have taken place here.

[Vanhecke] To continue rationally, the government should surely keep its promise not to print money?

[Alfonsin] That is what we are doing.

[Vanhecke] What if there is not enough money to pay the civil servants?

[Alfonsin] There will be enough....But, I must say, you are out for my blood!

[Vanhecke] What is the purpose of your forthcoming visit to France?

[Alfonsin] We have always felt close to France. France has cooperated a great deal with our government. We are going to see if we can attract new investment and do good business.

[Vanhecke] Does the fact that there is now a democracy in Argentina facilitate your relations with other countries? With the members of the Paris Club, for instance?

[Alfonsin] Undoubtedly! This does not mean that we are going to change the Common Market's philosophy. But we can find some solutions to some problems.

PRESIDENT RETURNS FROM EUROPEAN TOUR

Comments En Route

LD221116 Madrid Domestic Service in Spanish 0600 GMT 22 Sep 85

[Text] President Raul Alfonsin arrived at Gando Airport in Las Palmas in the Canary Islands at 0300 this morning. At the end of his European tour to the SFRY, France, and the FRG he made a stopover where he met local authorities and talked to journalists. Sebastian Sarmiento reports from the Canary Islands:

Before getting on the Argentine Air Force aircraft which is taking him back to his country, Raul Alfonsin talked about his European tour, saying that it was mainly for economic reasons and that he is returning satisfied because France and the FRG are basically confident in Argentina's efforts to emerge from economic stagnation:

[Begin Alfonsin recording] We considered very different problems there and also made an overall analysis of the political problems. Government members are very confident about the problems we experienced. We also discussed bilateral relations and economic and financial problems. I believe that they understand perfectly Argentina's difficulties and the efforts we are making to progress. [end recording]

Regarding the EEC, Raul Alfonsin said that his impression continues to be negative as the community persists in its aggressive, discriminatory, and unjust treatment of the Argentines.

Refers to Falklands, Mexico

PA221501 Madrid EFE in Spanish 1424 GMT 22 Sep 85

[Text] Buenos Aires, 22 Sep (EFE) -- Argentine President Raul Alfonsin said here today that his country is ready to declare an end to hostilities if Great Britain agrees to sit down at the negotiations table to discuss the problems related to the Malvinas. Shortly after his arrival in this country following a 10-day tour of Yugoslavia, the FRG and France, Alfonsin said that Europe understands Argentina's situation and believes that democracy is being consolidated. He praised the warm welcome afforded Argentina by the European press and said that there had been a small problem with audio on television, but no other problems.

He noted the support received from the governments of the FRG and France regarding the issue of the Malvinas Islands, sovereignty over which is claimed by Argentina. Regarding the possibility of France modifying its abstentionist position in the United Nations on the topic of the Malvinas and supporting the proposed Argentine resolution, Alfonsin said that France's position in the sense that negotiations should begin is very important. He added: We do not measure the attitude of that country just by its vote at the UN General Assembly.

On another matter, Alfonsin denied that there had been any request by France to hasten the resolution of missing persons cases. On the contrary, he affirmed that in all the negotiations we have held they have expressed deep recognition of the task undertaken by Argentina with regard to human rights.

Finally, before leaving the aircraft aboard a military helicopter, Alfonsin noted: We learned of the Mexican catastrophe while we were in Europe, which dampened our satisfaction over the developments of our visit. Our solidarity is total and absolute, Alfonsin said, stressing that there should be international solidarity.

FURTHER REPORTAGE ON CONTINUING STATE OF SIEGE

COB To Continue Strike

PY210324 La Paz Cadena Panamericana in Spanish 0000 GMT 21 Sep 85

[Text] The Bolivian Labor Federation [COB] hunger strike committee issued a communique a few hours ago stating that the people will not surrender to repression. The COB document is signed by Angel Zaballa, Jose Quiroga, Eduardo (Galpies), Victor Morales, Eusebio Encina, and Demetrio Barrientos, among other union leaders. The document says that about 500 workers were detained and confined, despite the fact that the government already reported the list of arrested persons. It also states that police have intervened and occupied some trade union headquarters in a provocative action. Finally, the COB hunger strike committee message reports that the mineworkers assemblies have decided to continue with the general indefinite strike.

MIR Wants State of Siege Lifted

PY201410 La Paz Cadena Panamericana in Spanish 1130 GMT 20 Sep 85

[Text] The Movement of the Revolutionary Left [MIR] led by Paz Zamora claims that the state of siege must be lifted because there are no sufficient reasons to implement it.

Deputy Fernando Cajias, a member of the MIR bloc in the Chamber of Deputies, has stated that the MIR feels that this decision must be adopted at the congressional session that will be held next Monday, 23 September.

[Begin Cajias recording] The MIR has presented a proposal asking Congress President and Vice President of the Republic Julio Garret Ayllon to call a national congressional session to discuss the implementation of the state of siege. Garret Ayllon has answered that at the request of the president of the Republic, Congress will convene on Monday, 23 September. All party blocs, including that of the MNR, has supported this resolution to call the National Congress into session. Thus, it will be the National Congress that will ultimately assess the decision. [end recording]

Deputy Cajias then gave a detailed report on the MIR's position.

[Begin recording] First of all, we feel that the government has no reasons to implement the state of siege and that the executive branch must explain its reasons. As a first measure, Congress should be called to convene, because several blocs reportedly oppose the state of siege and propose the formation of an investigative committee to look into the situation of the political prisoners. It has been reported that most of the detainees will be released tonight. [end recording]

Thus, the MIR wants the executive branch to explain its decision before Congress and also wants the state of siege to be lifted.

Senate President Defends Siege

PY201548 La Paz Cadena Panamericana in Spanish 1130 GMT 20 Sep 85

[Excerpts] Senate President Gonzalo Sanchez de Lozada has stated that the state of siege imposed by the government is provided for in the Constitution. He said that the government decision was the last resort to calm the climate of social agitation that was prevailing in the country and to recover the tranquillity and normalization of activities in all sectors.

Regarding the possible congressional session, he said that it is rather impossible that this session be held within the next few hours due to the absence of several national representatives. He said that although there is a sufficient quorum both in the Senate and in the Chamber of Deputies, several congressmen of different political parties are still in the interior of the country because of the lack of transportation services. He added that the Congress will probably be called to convene next week, with the participation of all national representatives.

Congress To Vote on Siege

PY210332 La Paz Cadena Panamericana in Spanish 0000 GMT 21 Sep 85

[Excerpts] Chamber of Deputies President Gaston Encinas today said that next Monday after having discussed the state of siege issue, Congress will decide whether to continue with it or lift it.

[Begin recording] We first have to hear what the executive branch has to report to us. The executive branch is entitled by the Constitution to exercise certain powers; however, these powers can only be used under certain conditions. In this case, the government alleges that the condition of internal unrest has come up, entitling it to establish the state of siege. We will first analyze all the factors, reasons, and arguments of the executive branch, and according to what we find, Congress will authorize the continuation or lifting of the state of siege. In case Congress decides to lift it, the executive branch will of course have to suspend all the [word indistinct] measures.

If those arrested have not been tried within 48 hours, they must be released as ordered by the Constitution. On Monday, we will order the constitutional, human rights, and social policy committees of Congress to go to the Interior Ministry to find out whether there are still any people being held without trial. The Constitution unfortunately does not specify how long people can be held. We suppose that it must be for as long as the state of siege lasts. In case Congress decides on Monday to lift the state of siege, those being held will be home by Tuesday. [end recording]

Army Will Not Enter Mines

PY211920 Madrid EFE in Spanish 1820 GMT 21 Sep 85

[By Juan Maria Calvo]

[Excerpts] La Paz, 21 Sep (EFE) -- Bolivian Defense Minister Luis Fernando Valle has ruled out the possibility of the Army entering the mines, despite the fact that the mineworkers continued striking after the declaration of a state of siege throughout the country. Valle pointed out that any strike is illegal under a state of siege and explained that the Armed Forces are maintaining a certain degree of control in some areas designated by President Victor Paz Estenssoro.

The National Economy and Planning Council (Coneplan) is to meet today to evaluate the first results of the economic plan proposed by Planning Minister Guillermo Bedregal. Bedregal has announced that the government may possibly revise the rigid salary policy without changing the essence of the plan, which is one of the basic points in the conflict with the Bolivian Labor Federation.

In San Jose, near Oruro, the mineworkers with their wives and children continue their hunger strike in the lower shafts to avoid being arrested by the police. They demand the release of the banished and detained leaders. Interior Minister Fernando Barthelemy Martinez has said that the government trusts that an intervention in the mining districts will not be necessary.

CSUTCB Leader Leaves Country

PY210209 Paris AFP in Spanish 2323 GMT 20 Sep 85

[Text] La Paz, 20 Sep (AFP) -- The evening newspaper ULTIMA HORA today reported that the top leader of the Single Confederation of Bolivian Peasant Workers (CSUTCB), Genaro Flores, has presumably left the country to seek refuge in Peru. Flores has presumably taken this step in view of the possibility of being detained by the military and experiencing the same fate that many leaders of the Bolivian Labor Federation have experienced. These labor leaders were banished on 19 September to the country's Amazon region on instructions from the government, which has decreed a state of siege.

The report indicates that Flores' departure has been the main reason the peasants have not blockaded the roads, as ordered by the CSUTCB to support the hunger strike by hundreds of labor leaders.

MINISTER WARNS BANKERS AGAINST SPECULATING

PY210213 La Paz Cadena Panamericana in Spanish 0000 GMT 21 Sep 85

[Excerpt] Planning and Coordination Minister Guillermo Bedregal today issued a serious warning to some of the national bankers not to speculate with the dollar price again. He said that if the situation is not modified, he will produce evidence for prosecution.

[Begin Bedregal recording] I want to issue a respectful warning to the private bankers of this country. I am referring to you intelligent and capable bankers who unfortunately are once again resorting to speculative mechanisms by using your client's money to buy dollars on the black market on Camacho Avenue and then selling those dollars at a higher price to the Central Bank. This is illegal. At a time when all Bolivians should make an effort to reconstruct our national economy, you, as an important business sector, do not have the right to take advantage of your position as bankers with access to money to undertake this kind of speculative activity. [end recording]

Minister Bedregal added that he is very respectful of this business sector but it must join in the task of saving the country.

[Begin recording] I am respectful of the business sector and I believe it must join in the effort to save the country, so we are issuing this serious warning in an energetic, objective manner without prejudices. We exhort you, as an important sector, to cooperate with the country and the people in recovering our business ethics. Speculative mechanisms contradict national interests. [end recording]

Bedregal said the government has legal means to inflict punishments.

[Begin recording] We have the legal means to take care of this problem. We will be very tough. This is just a warning. I have already told the press that I will continue to withhold the names of those involved out of respect, because if we start making accusations, we will not favor anyone. However, the speculative mechanisms that are being used are unethical. This does not influence at all our exchange and money policy. However, I am surprised by the fact that some people are still speculating. [end recording]

PINOCHET ADDRESSES TROOPS ON ARMY DAY

PY201826 Santiago Domestic Service in Spanish 1100 GMT 29 Sep 85

[Text] The president of the Republic and commander in chief of the Army, Captain General Augusto Pinochet, has called on the troops to renew their faith in Chile and its destiny. The president made this appeal in a speech he delivered to the nation on Army Day.

The president said that the Army, which was born with the Republic, has been the bastion of our nationality and the faithful guardian of the moral and spiritual wealth of the Chilean people. The president also recalled that in the last 175 years the Army has fulfilled its most difficult tasks both in war and peace. He added that the Army represents the basic principles of patriotism, valor, honor, loyalty, discipline, and drive.

[Begin Pinochet recording] Soldiers, as commander in chief, I am aware of and appreciate your daily contribution and dedication to our dear institution. I convey my recognition to every one of you for your efforts in this sacred mission. My recognition to your wives and children who have accompanied us in our hard tasks [words indistinct] of gratitude on behalf of the country.

I would also today like to pay deep homage to all our comrades in arms who have fallen in the performance of their duty. We will never betray the blood shed by our soldiers killed in defense of freedom. Their names will always be remembered, because they are the permanent examples of the solemn oath taken by soldiers ready to defend their fatherland.

Soldiers, your commander in chief and president of the Republic is proud of the Army and of each of its members, and conveys to you his affection and gratitude. We should also be proud that during my government, the government of a soldier, the nation has been able to attain peace with the Argentine brother nation, a peace which is a precious legacy for our children.

I call on you to renew your faith in Chile and its destiny. Let us double our efforts to successfully fulfill the task that the Chilean nation and history demand of us. Long live Chile! [end recording]

Criticizes Revanchist Ideas

PY201824 Santiago Domestic Service in Spanish 1100 GMT 20 Sep 85

[Excerpt] President Augusto Pinochet has said that there are people with dangerous revanchist ideas who intend to put on trial the members of the Army who fought for the freedom of the majority. The president made this statement upon thanking the ministers and under secretaries for their greetings on Army Day.

The ceremony was held in the O'Higgins Hall of La Moneda Palace. Interior Minister Ricardo Garcia spoke on behalf of the cabinet on this occasion. The minister said that the Army is part of Chilean history and has embellished the story of our development as a sovereign nation with numerous pages depicting its glorious feats.

PRESIDENT SIGNS EASTER ISLAND AGREEMENT MESSAGE

PY211239 Santiago Domestic Service in Spanish 2300 GMT 19 Sep 85

[Excerpt] The president has signed the messages accompanying two drafts laws that will now be sent to the legislative branch for consideration. One of the messages approves the agreement signed by the U.S. and Chilean Governments on the use of Easter Island's Mataveri Airport for emergency landings of space shuttles.

It hsa been reported that the objective of the agreement is to permit the shuttles to land during emergencies when the lives of the crew members are in danger. The U.S. Government has agreed to extend and improve the airstrip and to provide air navigation equipment.

In addition, the Chilean Government will be reimbursed for all expenses incurred in connection with the implementation of the project.

The works carried out under the terms of the agreement will comply with the Chilean law and will be subject to Chilean jurisdiction.

SECURITY REASONS PREVENT LIVE TE DEUM COVERAGE

PY201819 Santiago Domestic Service in Spanish 1100 GMT 20 Sep 85

[Text] The Te Deum held in the metropolitan cathedral on Independence Day was not covered directly by the media strictly for security reasons. This information has been provided by a high government source.

The source explained that there was no direct broadcast because there were people invited to the religious ceremony who were not correctly listed according to protocol. This unforeseen situation created a security problem which had to be solved as it was. The lack of time made it impossible to make any other decision.

INTERIOR MINISTER COMMENTS ON FRESNO HOMILY

PY202303 Santiago Radio Chilena 1700 GMT 20 Sep 85

[Report from La Moneda Palace by Pedro Valdes]

[Excerpts] Interior Minister Ricardo Garcia today said that the appeal for reconciliation by Santiago Cardinal Msgr Juan Francisco Fresno during his homily in the Te Deum is worthy of being analyzed by all the citizenry.

He also said that the case of the Chilean exiles will continue to be studied to determine who will be allowed to return to Chile.

Concerning Msgr Fresno's homily appealing for a reconciliation, Minister Garcia said the following:

[Begin recording] It was an appeal for unity based on the reasons pointed out by the cardinal. It should be analyzed by all the citizenry. He particularly stressed that any reconciliation is based on God and is also a consequence of an acceptance of common values. I believe Msgr Fresno's homily should be analyzed by all the citizenry. [end recording]

BRIEFS

DEFICIT REDUCTION -- The Central Bank has reported that in the second quarter of 1985, the public deficit dropped to 1.1 percent of the gross domestic product [GDP]. In the first quarter, the public deficit had reached 4.4 percent of the GDP. [Summary] EL MERCURIO in Spanish 10 Sep 85 pp A 1, A 10 PY]

EXPORT FIGURES -- According to the latest Central Bank report the trade surplus through mid-July 1985 is $485.9 million, compared to $416.9 million during the same period last year. [Summary] [Santiago EL MERCURIO in Spanish 3 Sep 85 p B 2 PY]

PLACIOS MEJIA APPOINTED NEW FINANCE MINISTER

PA220113 Paris AFP in Spanish 0042 GMT 22 Sep 85

[Text] Bogota, 21 Sep (AFP) -- Tonight Colombian President Belisario Betancur appointed conservative economist Hugo Palacios Mejia as new finance minister, after accepting the resignation of Roberto Junguito Bonnet.

Palacios Mejia was the general manager of the Bank of the Republic (central). Economist Francisco Ortega, adviser to the president of the National Federation of Coffeegrowers, has been appointed general manager of the Bank of the Republic.

Junguito Bonnet, who had also been agriculture minister, resigned after obtaining $1 billion dollars in loans for Colombia from international organizations and European banks.

BANK OF COLOMBIA FOREIGN DEBT REFINANCED

PA230219 Bogota Television Service in Spanish 0000 GMT 19 Sep 85

[Text] The Bank of Colombia's foreign debt was refinanced today. More than 60 foreign banks negotiated $400 million in credits with Bank of Colombia representatives in New York. The loan granted is to be paid in 7 years.

Also in the past few hours in New York a $65 million advance for CARBOCOL [Colombian Coal, Inc.] was secured. The advance is part of the credit package granted to the Colombian Government. The delegation, headed by Finance Minister Roberto Junguito secured loans for $998 million, which will begin to be received in the country in November, at the time when IMF officials will be completing their first monitoring of the national economy.

SHINING PATH CLAIMS RESPONSIBILITY FOR LIMA BLACKOUT

PY211733 Madrid EFE in Spanish 0435 GMT 21 Sep 85

[Text] Lima, 20 Sep (EFE) -- Lima and some other Peruvian cities were blacked out for 30 minutes tonight by a terrorist attack. The Shining Path terrorist group has claimed responsibility for the blackout by signaling from the top of a hill near Lima.

After half an hour, electric power was reestablished in most of the Lima neighborhoods and in the northern and southern towns of the Lima district; however, other zones still remained in darkness.

A spokesman from the Peruvian State Electric Power Company [ElectroPeru] reported that the blackout was caused by terrorist attacks against high tension pylons, although the exact locations of the attacks have not been established. He said that the attack had damaged the downtown interconnected electrical system, leaving the northern town of Huaral and the central, southern, and eastern towns surrounding Lima without electricity.

According to the Radio Programas del Peru radio station, one bomb exploded in the railway in the Carmen de la Legua District and two duds were discovered. Some people reported that they had heard explosions along the central highway and in the southern outskirts of Lima; however, these reports are still unconfirmed.

A police officer reported that a police station had been attacked with dynamite but no major damage occurred.

The blackout prevented the opening of a gala benefit concert which First Lady Mrs Pilar Nores de Garcia was to attend. The concert was for the Peruvian Children's Foundation, which is headed by the president's wife. Lima Mayor Alfonso Barrantes and Prime Minister Luis Alva Castro were also present at the concert. Since electricity was not immediately restored, Mrs Pilar Nores de Garcia returned to Government House, located a few blocks from the theater. However, she returned with President Alan Garcia to the theater once the lights were restored and the concert had begun.

In El Callao port, which was still without electrical power this morning, the naval base was attacked with a car bomb that seriously wounded a Navy officer.

CAR BOMB EXPLODES NEAR NAVY BASE IN CALLAO

PY201259 Paris AFP in Spanish 1232 GMT 20 Sep 85

[Text] Lima, 20 Sep (AFP) -- The police have reported that a car bomb explored early this morning at the entrance to the air naval base in Callao, causing some damage. The attack, the sixth of this kind to take place in Peru, occurred at 0510. Navy personnel arrested two suspects after the explosion, which toppled 5 meters of wall at the entrance to the base. No information was disclosed about possible casualties. The vehicle used was a Dodge pick-up truck loaded with dynamite. The air naval base is located in the port of Callao near Jorge Chavez International Airport.

FURTHER REPORTAGE ON EARTHQUAKE AFTERMATH

President Addresses Nation

PA211502 Mexico City XEW Television Network in Spanish 1325 GMT 21 Sep 85

[Address to the Nation by President Miguel de la Madrid on the night of 20 September in Mexico City -- recorded]

[Text] Fellow countrymen: On addressing the Mexican people I want to share with you your grief and sorrow and I also want to exalt the spirit of fraternal solidarity that has been demonstrated among and toward us. My deepest condolences to those who have lost relatives, friends, or coworkers. I make your sorrow my own over this irreparable loss that cannot be compensated.

The tragedy that affected us yesterday has been one of the most serious that Mexico has ever suffered in its history. There are hundreds of dead and injured. As of yet we do not have precise or complete figures. There are still many people trapped in buildings who we have been unable to rescue. Furthermore, about 1 or 1 and 1/2 hours ago there was another tremor of a lesser intensity and duration than yesterday's earthquake but which continues to provoke uneasiness, fear, and concern. I was able to see how the people in the Lazaro Cardenas central hub at the Arcos de Belen crossing were in the streets after leaving their rooms and buildings, but fortunately it seems that the effects of this tremor were much less than the tremendous earthquake yesterday.

According to the available information, the greatest losses and damage have been in the capital of the republic. I also stress that areas of Michoacan State and southern Jalisco were severely damaged. In Michoacan, this is especially the case in the city of Lazaro Cardenas and Las Truchas and in Jalisco, Ciudad Guzman and nearby towns. However, in comparative terms, the disaster has been relatively less serious -- of course, this does not detract from its unfortunate nature -- in other parts of the republic.

In response to the disaster, there have not only been acts of extraordinary solidarity by the various sectors of our people, but also acts that fully deserve the term of heroism that brings great honor to the Mexican people. I want to stress the work of the Army, the Navy, the police forces, the fire department, and various private rescue and volunteer organizations. T he attitude of brotherhood and solidarity that the Mexican people are demonstrating is moving; my deep recognition of this admirable attitude.

The government of the republic and the state governments have reacted to the utmost of our efforts and capacities. Unfortunately, I must admit that the tragedy of such magnitude has exceeded our capacities in many cases.

We cannot do what we want to do as quickly as we want, especially to rescue people alive. The truth is that we don't have the necessary materials to deal with an earthquake of this nature quickly or efficiently.

We have organized the government's efforts by coordinating its branches at the national level under the secretary of government and under the Federal District's chief for the Mexico City area. There has been very satisfactory cooperation from the governments of neighboring states.

Generally speaking, all the elements of the federal executive branch are cooperating in various tasks. We have directed our efforts, as I said a moment ago, to rescue people who have been trapped in collapsed buildings. The top priority at this tragic moment is to save lives.

Unfortunately, this work has not been completed yet. There are still people trapped under some collapsed buildings. We are taking care of the affected people in the best possible way. This includes the injured, the homeless, and those who have lost their belongings. We have organized emergency services to care for the injured, to give shelter to those who have lost their homes, and to give food to those who need it. Our service facilities and telecommunications system suffered serious damage. This is true also for electricity services and for the drinking water system in various parts of the city.

We have set in motion work to re-establish these services as soon as possible. We are gradually returning to normalcy. There is already improved long-distance [telephone] service, which was practically paralyzed both in the country and abroad. [sentence as heard]

We are working on broken drinking-water pipelines. We are gradually returning the services to normal, as I have said. I ask my fellow citizens from the Federal District to be patient, as they have been so far. We are working day and night. Many state installations have suffered serious damage: Public offices, offices of secretaries of state, state attorneys' offices, schools, hospitals. Privately-owned installations have also been seriously damaged of course. We are making plans to relocate public offices to restore services to the people so that the government functions are not seriously affected.

We are redistributing patients from the Medical Center, which as you know was left practically useless. We have sent the patients from there to the Social Security -- the ISSSTE [Institute of Social Security and Services for Government Workers] -- clinics and to Federal District hospitals. Yesterday we had to move some 2,000 patients in 4 hours from the medical center alone.

We are also trying to keep public school students out of danger. For this reason we decided to suspend classes today. We are determining the conditions of school buildings to produce a gradual but safe return to classes and to protect the lives of students and teachers. At a suitable moment we will be reporting on when education services are back to normal.

Although we are faced with this tragic and sad picture, we are encouraged by the attitude of the citizens, as expressed by their various institutions and by them individually. It is necessary to maintain the fundamental unity of the Mexicans at all times. This unity is most necessary at difficult moments like the ones we are enduring.

I am profoundly proud of the people I govern. I am profoundly proud of their fraternal feelings, of their spirit of cooperation, of the willingness with which the people are giving shelter to relatives and neighbors and are providing them with food. The people are going to the areas where there are collapsed buildings to see how they can help. There are people who have been buying shovels and picks at hardware stores to help in the rescue effort. This shows the worth of the Mexican people.

In this message, I also want to state my recognition to the media for the responsible way in which it has been informing the nation and the world about our situation. It has reported on the problems objectively.

This has been a big tragedy. However, Mexico's capital has not been destroyed. Mexico's capital -- large sections of it -- is returning to normalcy. We deeply regret the damage and the loss of lives. However, most of Mexico City is standing and its people are also standing up and facing the tragedy with extraordinary vigor.

I also want to state my appreciation for the statements of condolence and the support offers we are receiving from friendly countries. We will make use of the support that has been offered as needs arise. We are making an evaluation to determine what we need most in order to accept the cooperation offered by our friends. It is at moments such as this that we better get to know, appreciate, and are grateful for the friendship of other people and governments.

In the face of grief and sadness, fellow countrymen, let's strengthen our calm, fortitude, and courage. Let's bury our dead with grief, but let's also renew our will to live and to heal our wounds. I am sure that this sentiment will prevail over our pain, the pain we all endure, and that with specific and persevering actions we will all know how to decidedly go forward to face the reconstruction task with vigor, enthusiasm, and a firm, firm will.

Good night.

President Cancels UN Trip

PA221806 Mexico City XHDF Television Network in Spanish 0300 GMT 22 Sep 85

[Text] Mexican President Miguel de la Madrid has decided to cancel his trip to the United Nations where he was to attend the UN General Assembly session to commemorate the 40th anniversary of the organization, the Social Communications Directorate of the Presidency of the Republic announced a few minutes ago. It was not announced who will represent the president and read the message De la Madrid was to deliver on 25 September.

The president was scheduled to leave on 24 September and return on 26 September, and was to meet with five Latin American presidents. Foreign Relations Secretary Bernardo Sepulveda Amor will probably represent President De la Madrid at the UN General Assembly. The Mexican president cancelled his official visit in view of the emergency situation in Mexico City and some states of the republic.

Official Death Toll at 3,641

PA220437 Madrid EFE in Spanish 0418 GMT 22 Sep 85

[Text] Mexico City, 21 Sep (EFE) -- The number of dead as a result of the two earthquakes that rocked Mexico City is 3,641, according to official figures. The authorities in the Mexican capital reported having recovered 1,641 bodies from the debris of the scores of destroyed buildings under which, according to estimates, there are still over 2,000 persons.

The mayor of Mexico City, Ramon Aguirre, noted that the rescue crews have already recovered 800 persons from the ruins of different buildings alive. The hospitals in the capital have treated over 6,000 persons, of which only 10 percent have been admitted.

The figures on deaths being mentioned in the city vary, as some papers insist on the number of approximately 3,000, while U.S. Ambassador in Mexico John Gavin feels the number of deaths exceed 10,000.

General Juan Arevalo Gardoqui, secretary of national defense, said tonight that the Mexican Army has supplied many sheets (to the corpse retention centers) to cover the bodies, in view of the shortage of coffins in the city.

AFP Describes Damage

PA201338 Paris AFP in English 1323 GMT 20 Sep 85

[by Luis Granovsky]

[Text] Mexico City, Sep 20 (AFP) -- At least a thousand people were today lying buried under the ruins of central Mexico City, after the metropolis was hit by a huge earthquake yesterday that has claimed 3,000 lives according to latest estimates.

Much of the central area, including luxury hotels and business sections, and many houses, were levelled by the quake, which struck at the height of the city's prolonged morning rush-hour and hit an area 20 kilometers (12 miles) across. The extent of the devastation was indicated by the fact that many buildings such as hospitals and administrative offices, which would play key roles in any rescue program, were reduced to piles of twisted steel and shattered concrete, and major arteries were blocked by fallen masonry.

At least three major hotels frequented by foreign tourists were completely destroyed, while in the Roma District one of the city's biggest hospitals lay in ruins. The 3,000-person death toll is considered a minimum.

"We know nothing. We have no casualty list. We can tell you nothing -- let us work," a harried doctor told a reporter in the Roma District, where more than half of the buildings have been severely damaged or destroyed.

Several meters (yards) away, a man was scrabbling at a pile of rubble with bare, bloodied hands. He was trying to retrieve the corpses of his wife and three sons from what was once their second-floor home. "I was a few steps away from home, when everything started to move," he said. "I knew what was going to happen. It was unbelievable. I was rooted to the spot, watching the building collapse with my wife and children dying inside."

To travel from Roma to the city's centre is to travel a virtual combat zone, in which sirens mingle with cries of panic or suffering, smoke wafts through from still unextinguished fires, electrical cables dangle uselessly, and the smell of gas seeping from ruptured mains is everywhere. Most of the city today was without electricity, water and communications, although a number of radio stations were able to function and keep the population informed.

The spirit shown by the inhabitants of this sprawling city of 15 million has been on a formidable scale. Although soldiers were swiftly deployed to seal off the stricken city centre, there have been few acts of looting, and thousands of people rushed to ruined buildings to help with rescue work. Even the tiniest helped -- children who risked their lives to creep through cracks in the rubble to bring aid or a message of hope to those trapped.

The quake measured 7.8 on the open-ended Richter Scale, which effectively measures up to nine. It occurred at 7:18 a.m. (1318 GMT), with its epicenter reportedly near the Pacific coast port and resort city of Acapulco.

One official said that had the quake been slightly later the results could have been even more disastrous. "Imagine what would have happened if it had struck when all the offices were full," he said. Several localities in western Mexican states all reportedly sustained damage, but there have been no available casualty figures.

Meanwhile, more countries and organizations continued to pledge aid for the rescue effort, including the United Nations, the Organisation of American States and virtually all of Latin America.

In Washington, President Ronald Reagan sent a message to Mexican President Miguel de la Madrid offering full U.S. assistance. A State Department spokesman said there was no information as to any Mexican response.

In an unfortunately-timed decision, the International Monetary Fund (IMF) cut Mexico off from further lending because it had failed to carry out IMF loan agreements, the WASHINGTON POST reported.

Seismologists at Costa Rica's National University said the earthquake would probably be as bad as the one that virtually destroyed San Francisco in 1906. It was the second major earthquake in Mexico in 12 years. More than 700 people were killed and 24 cities seriously damaged by a 6.5 quake in September 1973.

Media on International Aid

PA220014 Paris AFP in Spanish 2031 GMT 21 Sep 85

[Text] Mexico City, 21 Sep (AFP) -- Today Mexican radio, television, and press emphasized the messages and offers of assistance received from numerous countries, while the Foreign Secretariat reported that the donations will be channeled through the Reconstruction Fund to help the victims.

Argentina, Australia, Brazil, Colombia, Cuba, Ecuador, the United States, Spain, France, India, Italy, Japan, Panama, Nicaragua, Peru, and Uruguay, among other countries, and organizations such as the World Bank reacted immediately to the earthquake that lashed Mexico City on Thursday by sending condolence messages and offering specific aid that has already become effective.

France sent two 707 planes with doctors trained in the rescue of victims, while specially trained dogs are waiting in the French Antilles for the Mexican Government to authorize their entry into Mexico.

Australia donated money and medicine, while from Argentina medicine and a plane arrived with doctors and rescue equipment. Ecuador sent nurses and volunteers while other countries are sending food, blood, medicine, and rescue equipment.

The Foreign Secretariat pointed out that most badly needed are specialized equipment for rescue operations and building demolitions, helicopters, cranes, and equipment to fight fires, and ensured that measures will be taken through the fund created to channel aid to the victims to avoid any waste.

Foreign Secretary on Assistance

PA210428 Madrid EFE in Spanish 0339 GMT 21 Sep 85

[Text] Mexico City, 20 Sep (EFE) -- Mexico has thanked various countries for all the aid offered in view of the earthquakes that shook Mexico City yesterday and today, Mexican Foreign Secretary Bernardo Sepulveda announced here tonight.

During a news conference, Sepulveda said that Mexico urgently needs specialized equipment and experts in the demolition of buildings, equipment to protect from asphyxia and fires, helicopter-cranes, and equipment to fight fires, among other things.

The foreign secretary emphasized that the government presided over by President Miguel de la Madrid is also accepting economic aid and for this, it has opened a trust fund called the reconstruction fund, in the national financing organization. Sepulveda added that this trust fund will administer all of the economic aid received, although he explained that this is not essential as Mexico has sufficient money to face the situation.

He said that the most urgent task is helping to rescue the victims who are buried under the debris, and he reiterated several times that the aid which has been sent to this country is already being coordinated by the authorities. He pointed out that Mexico has received messages from presidents and governments of various nations, and he thanked them on behalf of President De la Madrid.

He announced that Brazilian President Jose Sarney and the Mayor of San Antonio, Texas, Henry Cisneros, will arrive tomorrow in Mexico City to personally voice their solidarity with de la Madrid. The Mexican foreign secretary added that Cisneros will deliver to the Mexican President an undetermined amount of money collected by the Mexican community residing in San Antonio.

Sepulveda emphasized that Mexico has sufficient resources to face this harsh crisis and explained that, nonetheless, Mexico cannot reject international aid, which President De la Madrid appreciates very much.

Reconstruction Fund Set Up

PA211524 Mexico City XEW Television Network in Spanish 1300 GMT 21 Sep 85

[Bulletin issued by the Secretariat of Finance and Public Credit -- date not given]

[Text] In order to take care of and receive the help of numerous people and entities comprising various sectors of Mexican society which are helping to cope with the aftermath of the earthquake registered yesterday in various areas of the country, the Secretariat of Finance and Public Credit reports that a fund for the reconstruction of affected areas has been set up at National Finance Bank, Inc [NAFINSA].

People and companies wishing to make donations, which will be tax deductible, can make deposits in all bank branches beginning on Monday to NAFINSA's Account No 1. They will receive a receipt in accordance with the current legislation.

All donations made to this end, which are thanked beforehand, will be used mainly for the reconstruction of hospitals and schools. The use of this money will be reported to the public in due time. The collected money will be channeled by a mixed committee to be established to carry out that task. Donations can be made through slips normally used to make deposits to checking accounts.

Damage in Interior Reported

PA211612 Mexico City XEW Television Network in Spanish 1345 GMT 21 Sep 85

[Text] A report from the National Defense Secretariat with the information it has been able to gather from the states of the country gives us details of damage outside the capital of Mexico:

In Ciudad Guzman, Jalisco, 25 people died, 150 were wounded, and a church was destroyed. Three shelters were established. Four hundred homeless are being housed there.

In Gomez Farias, Jalisco, 2 dead, 25 wounded, a church and several houses damaged.

In Tuxpan, Jalisco, 3 dead; in Sayula, 1 dead; and in [name indistinct] 1 dead.

In Toluca, Mexico State, a paint warehouse was destroyed and two walls, one of them in the scocer stadium, collapsed. In [name indistinct] a wall also collapsed and there are slight cracks in the Benito Juarez school. In Tenancingo, a wall of the old people's home also fell and two churches had cracks.

In Jojutla, Morelos, a baby was killed and two children were injured when a wall collapsed. In Tepalcingo, Morelos, a church and the municipal palace were damaged. In (Iztlilco), six houses were destroyed without any casualties. In (Coaxtepelco), four houses were destroyed without any casualties.

In (Ixtapacihuatenego), a girl was killed, the airport partially flooded, and a car dealer agency destroyed.

The Defense Secretariat also reported that General Juan Arevalo Gardoqui has ordered 3,000 men from other military regions to go to Mexico City.

OFFICIALS ISSUE STATEMENTS ON SPADAFORA CASE

PA210046 Panama City Circuito RPC Television in Spanish 1730 GMT 20 Sep 85

[Statements given by Colonel Roberto Diaz Herrera, chief of Panamanian National Defense Force General Staff; and Manuel Jose Calvo, Panamanian attorney general, in Panama City on 19 September -- recorded]

[Text] [Colonel Diaz Herrera] We wish to address the Panamanians and all the residents of this country because we feel that we have important information, information that could be vital, in the so much talked about and polemic case that has had a tremendous impact in our country, as is the case of the death of Dr Hugo Spadafora. We have, therefore, called the nation's attorney general to come here tonight, and in the absence of General Manuel Antonio Noriega, who is currently abroad, in the presence of the members of the General Staff -- some of whom are abroad on missions -- to receive some papers, which we, after a detailed analysis, considered to be of great importance. This information was spontaneously offered us by Manfred Hoffman (Wittenberg) who, upon his arrival from Costa Rica, spontaneously contacted the Panama National Defense Force. The first contact was made through our military attache in San Jose and today he came to the office of G-2. Later he met with members of the General Staff, and following a lengthy discussion he agreed to release a statement, including a televised statement, regarding the problem that has risen following Dr Hugo Spadafora's violent death. We also want to make the statement public in our effort to protect national security, the tranquillity of the country, tranquillity of the grieving relatives of Dr Hugo Spadafora -- Don Melo [Carmelo Spadafora, father of Dr Hugo Spadafora], the Spadafora family, and his friends in Herrera Province and throughout the country, and I wish to add, and clarify, that we, the Panamanians in uniform, also regret his death.

As part of our brief introduction we wish to put on record that this information, and this we have told to the attorney general, could hinder the investigations into this matter. However, in view of the attacks coming from some irresponsible sectors of the country against the commander of this institution, General Noriega, sectors that believe that by destroying this institution they will not harm the country and will only harm the men, we have decided to present this information.

Attorney General, Manfred Hoffman (Wittenberg), a German citizen by birth with a Panamanian identification card issued to foreigners, and who works in the area of Central America -- Costa Rica, Honduras, and Panama -- has tonight offered himself as a voluntary witness and has put himself at the service of the National Defense Force, the Attorney General's Office, the authorities in general, the Panamanian people, the family and anyone else who wishes to listen -- from whichever sector he may be. We could not keep this information to ourselves because there is some interesting and important material that involves Panama's security and the security of other countries.

I place in your hands Mr Hoffman's general data and curriculum and a copy of the videocassette that contains what could be described as the general information he had to offer. We present you with this information for your office to investigate and to determine Mr Hoffman's status as the witness he claims to be; for you to inform the Panamanian people in due time whether or not Mr Hoffman qualifies as a witness; and whether he can uphold the statements he made. If this is not possible, then let the investigations proceed through other channels.

However, we feel that here we do have a channel and that it can shed some light on this confusing problem. It will be up to you and your investigative team to determine the facts, confirm the statements, and carry out an in situ investigation into this dramatic case that has deeply moved the Panamanian people. However, many people -- and we exclude the family because they have every right to feel outraged -- have calculatedly attempted to use this situation to create problems and bring sad days on Panama, sad days that not even our enemies would wish on us. We admit that some of us have been involved in national politics for the past 15 years, however, despite problems and mistakes, never once did it cross our minds -- and I also speak on behalf of Gen Noriega who is not present -- to commit such a barbaric act on a friend of this kind, with children, parents, and siblings. This act has no human justification and could only be the product of a sick mind.

Attorney General, these are Mr Hoffman's documents, letters of recommendation from organizations that employed him, and his curriculum vitae. This is the videocassette in which Mr Hoffman makes statements pertaining to the Spadafora case. There are other statements that could not be expanded on. We ask you to refrain from making public all matters involving the security of Panama as a country, and not only the National Defense Force. The matter is now in the hands of the Public Ministry.

[Calvo] Col Diaz, rest assured that this information you have provided will be adequately reviewed and compared by the Public Ministry's investigators. Early tomorrow morning we will interview this gentleman in our office to get his statements, in order for him to give us all the information he may have regarding the Spadafora case; and at the same time, and as you have said, we shall verify the detailed information he is offering as to how the incident occurred.

I thank the National Defense Force for its cooperation in this case, which is of national interest, because of the person who died, the way he died, and the political nature of this case. I feel that we all have a responsibility; this includes the National Defense Force and it includes myself as attorney general, all honest officials and citizens who may wish to contribute to clearing up the violent death of Dr Hugo Spadafora.

Rest assured that we will put the proof submitted to good use and will make the necessary comparisons as demanded by the law in these cases to verify the truth of the statements made.

BELIZE

ESQUIVEL RETURNS FROM VENEZUELA, PANAMA VISITS

FL190254 Belize City Domestic Service in English 0100 GMT 19 Sep 85

[Excerpt] Returning to Belize today after visits to Venezuela and Panama was the Prime Minister Mr Manuel Esquivel, the Minister of Foreign Affairs and Economic Development Mr Dean Borrow, and the Minister of Commerce and Industry Mr Eduardo Juan.

The ministers held discussions with Venezuelan officials on a number of bilateral agreements and attended a meeting in Panama with the Panamanian President Nicolas Ardito Barletta.

PRIME MINISTER SPEAKS ON INDEPENDENCE DAY

FL211806 Bridgetown CANA in English 1721 GMT 21 Sep 85

[Text] Belmopan, Belize, Sept 21, CANA -- Belizean's today marked the country's fourth anniversary of political independence from Britain in a low-key fashion, probably reflecting the lean economic period this Central American state is going through. The sparse crowd which turned out for this morning's official ceremonies probably indicated that the 160,000 population was hardly in any mood to celebrate.

The townturn in the national economy and the subsequent frustration among nationals were reflected in an address by Prime Minister Manuel Esquivel. The fourth anniversary of Belize's independence comes at a time of economic difficulties for all of us, he said. We are looking at our economic situation, with a clearer perspective in our search for a realistic solution.

Esquivel called for a national and unified effort to overcome the present difficulties which have brought rising unemployment.

Also speaking at today's official ceremonies was the leader of the opposition Florencio Marin who spoke of his People's United Party's [PUP] struggle for 30 years to attain independence for Belize. The PUP lost power to Esquivel's United Democratic Party (UDP) in general elections last December.

COSTA RICA

FOREIGN MINISTER PRAISES CONTADORA DRAFT

PA202022 San Jose Radio Reloj in Spanish 1200 GMT 20 Sep 85

[Text] Describing the new draft of the Central American peace document as a valuable contribution to the work of the upcoming meeting of plenipotentiaries, Foreign Minister Carlos Jose Gutierrez has said that it will be ready for signing with very few changes. Gutierrez added that in order for the document to be signed the group of plenipotentiaries must make a number of decisions and undertake delicate negotiations.

The foreign minister said that Costa Rica will use the period before 7 October meeting to obtain the opinions of legal experts and sectors interested in the Central American situation, including the Social Christian Unity Party, whose contributions will be well received.

The fact that the principles of the 21 objectives that are the foundation for the adequate coexistence of the Central American nations have remained intact in the draft document indicates that the document will be signed with sufficient guarantees. The foreign minister said that the chapters dealing with political guarantees and national reconciliation are very well developed and the chapter on security has maintained the necessary rigidity.

He said that the meeting in Panama on 7 October will be very important and added that it was called at Costa Rica's initiative.

MINISTER TO NOTE NICARAGUAN 'AGGRESSION' AT UN

PA201956 San Jose Radio Reloj in Spanish 1200 GMT 20 Sep 85

[Text] On Wednesday, Foreign Minister Carlos Jose Gutierrez will speak at the UN General Assembly. In his speech Gutierrez will refer to the aggression that Costa Rica has suffered from Nicaragua and regional problems. Gutierrez will speak on behalf of Costa Rica at the United Nations on Wednesday morning. He will recount the difficulties that a democratic country like Costa Rica faces as a result of the regional crisis. He will reiterate the Costa Rican people's determination to continue supporting its democratic institutions and defending peace, freedom, and human rights.

Part of the foreign minister's speech will stress important aspects of the life of the United Nations and what it has achieved in its 40 years. He will also state that Costa Rica wants the United Nations to expand its horizons and more fully protect countries like Costa Rica that face danger from arms buildups and aggression. Costa Rica, as one of the few democratic countries that has kept its institutions intact, wants to see democracy expand to other areas with the support of the United Nations.

COUNTRY ELECTED TO UN VICE PRESIDENCY

PA210259 San Jose LA REPUBLICA in Spanish 17 Sep 85 p 3

[Text] Costa Rica was elected yesterday to occupy the vice presidency of the UN General Assembly as of 1 October. The election took place after the Latin American Group presented Costa Rica's nomination. New York reports claim this has been the "greatest diplomatic victory of Costa Rica in recent times."

Foreign Minister Carlos J. Gutierrez will travel to the United Nations next month to present Costa Rica's views in that international forum.

MONGE DENIES PERMISSION FOR FDN ACTIVITY

PA200146 San Jose LA NACION in Spanish 13 Sep 85 p 4A

[Text] One of the reasons President Luis Alberto Monge denied a permit requested by a local leader of the Nicaraguan Democratic Force (FDN) is that he must be cautious because it is "difficult" to determine the bounderies between a political activity and a military activity by Nicaraguan groups in Costa Rica.

In the request the government was asked to permit assemblies by anti-Sandinist Nicaraguans who belong to groups opposed to the Nicaraguan regime and who compose the Nicaraguan Opposition Union (UNO).

The request was sent to the president on 23 August by Donald Lacayo Nunez, political delegate of the Nicaraguan Democratic Force in Costa Rica, on behalf of UNO.

The letter said that the purpose of the activity, which had orginally been planned for 31 August, is "to inform the Nicaraguans who live in Costa Rica under the generous protection offered by your illustrious government and the Costa Rican people on what UNO means and about its struggle to recover the democratic values of the Nicaraguan people." The letter notes that such assemblies would be taking place in Los Chiles, Ciudad Quesada, San Ramon, Puntarenas, Liberia, Canas, Nicoya, Puerto Limon, and Tilaran.

In denying permission, Monge explained that his obligation is to guard the country's neutrality in foreign conflicts, to safeguard peace, and to see that Costa Rica does not become involved, as a result of international campaigns, in hostile actions against the Nicaraguan Government.

In his answer President Monge also stated that the Costa Rican people are democratic and not neutral in the face of despotism and that they defend the idea of giving room to those who are persecuted because of their ideas. Monge went on to explain that "under current circumstances, we have to be very careful regarding certain activities by Nicaraguans who have taken political asylum in Costa Rica, because it is very difficult to determine the political space ends and where the space supporting war activities begins."

FOREIGN MINISTER CONDEMNS SPADAFORA MURDER

PA202009 San Jose Radio Reloj in Spanish 1200 GMT 20 Sep 85

[Text] Costa Rican Foreign Minister Carlos Jose Gutierrez has described the assassination of Dr Hugo Spadafora, former Panamanian deputy health minister, as a condemnable act. The foreign minister said that any act of terrorism, wherever it may come from, is reproachable and is condemned by the Costa Rican people.

Regarding those responsible for Spadafora's violent death, Gutierrez said that the results of the investigations by the police authorities must be awaited. He said that, depending on who is responsible for this tragic action, Costa Rica's relations with Panama could be affected.

Rebel 'Killed in Panama'

PA210239 San Jose Radio Reloj in Spanish 0117 GMT 21 Sep 85

[Text] The Judicial Investigation Agency, OIJ, has confirmed that Hugo Spadafora Franco was killed in Panama, although his beheaded body was found on Sunday in Laurel de Corredores. After his body was found and identified, two OIJ officials went to Ciudad Neilly to conduct an extensive investigation, which was concluded today. A report on the investigations was sent to District Attorney Dr Fernando Cruz.

According to the OIJ officials, eyewitnesses claim they saw Hugo Spadafora riding in a vehicle in Panama a few hours before his death. The investigators found one of Spadafora's teeth and other evidence in the area of Laurel where the body of the former guerrilla was found. The evidence has been turned over to the district attorney's office.

After receiving the OIJ preliminary report, the district attorney met with the Panamanian ambassador and a Panamanian attorney. OIJ Acting Director Rodrigo Castro and the officials who carried out the investigations also attended the meeting.

Meanwhile, it was learned that Fernando Cruz has returned the report to the investigators to enable them to add some photographs or other information. It was said that it will be up to the district attorney's office to decide what measures will now be taken concerning the Spadafora murder.

MONGE SENDS MESSAGE TO DE LA MADRID ON QUAKE

PA202018 San Jose Radio Reloj in Spanish 1200 GMT 20 Sep 85

[Text] President Luis Alberto Monge has sent a message to Mexican Ambassador Luisa Maria Leal expressing the Costa Rican Government's and people's sorrow and grief over the disaster that Mexico has suffered. A presidential communique states: Because I was unable to speak with Mexican President Miguel de la Madrid, I spoke with the Mexican ambassador in our country.

Monge added that he has spoken with Costa Rican Red Cross President Miguel Carmona so that he would offer every support and solidarity to the International Red Cross in its aid to the sister people of Mexico.

In a message sent through a ham radio network to Mexican President Miguel de la Madrid, President Monge said that he is deeply grieved by the tragedy suffered by the sister people of Mexico. On behalf of the Costa Rican people and government, I express solidarity and reiterate our constant fraternal affection, Monge added.

The president has tried to establish contact with his Mexican counterpart, but communications remain out.

EL SALVADOR

SPECULATION ON DUARTE-KIDNAPPER NEGOTIATIONS

PA201901 Managua Radio Noticias in Spanish 1200 GMT 20 Sep 85

[Excerpt] We are presently receiving a report from San Saldvador issued by the AGENCIA NUEVA NICARAGUA news agency.

El Salvador: Possible negotiation between President Duarte and his daughter's kidnappers. Salvadoran President Jose Napoleon Duarte used the media last night to ask that public messages condemning the kidnapping of his daughter Ines Guadalupe 10 days ago stop. The request was interpreted here as indicating the possibility that negotiations between the president and his daughter's captors, members of the Pedro Pablo Castillo Front, have begun. Earlier, the front issued its first public message, claiming responsibility for the action.

In an exclusive interview with a U.S. news agency correspondent, the rebels said that one [as heard] of the conditions to begin negotiations for the release of Ines Guadalupe Duarte is that the army suspend its air and ground activities nationwide; that arbitrary arrests cease; and that human rights be respected.

President Duarte's request constitutes a 180-decree shift in the political handling the government initially made by launching massive media coverage of the case. However, several press analysts here have speculated that Duarte may be encountering disagreements with the Army High Command in connection with the Pedro Pablo Castillo Front's demand that political prisoners be freed. It appears that the organization, on which no major information was available, is principally staffed by former political prisoners.

Meanwhile, the intensity of police and military search operations, house raids, and arrests has decreased over the past several hours, confirming that negotiations between the rebels and government may have begun.

SUBVERSIVES KIDNAP SEVEN MORE MAYORS

PA212110 San Salvador LA PRENSA GRAFICA in Spanish 21 Sep 85 pp 4, 11

[Text] Seven more mayors were kidnapped on Thursday afternoon and Friday morning. This brings the number of people kidnapped in the country to 25.

Yesterday Interior Minister Edgar Ernesto Belloso Funes and Deputy Culture and Communications Minister Roberto Edmundo Viera condemned the kidnappings, stating that the mayors are civilians elected by the community and that at no time could they be considered military targets.

The mayors kidnapped in Chalatenango Department are as follows: Jose Tobias Molina of San Rafael; Francisco Melara Valle, acting mayor and city councilman of Agua Caliente; Felipe de Jesus Lopez of San Francisco Morazan; Jose Antonio Pereira of Comalapa; Hernan Lopez Lopez of Santa Rita; and Fernando Rodriguez of Dulce Nombre de Maria.

All of them were kidnapped on Thursday, 19 September, with the exception of the last two, who were kidnapped on Friday. Francisco Chavez of El Paisnal was kidnapped in San Salvador Department.

This brings the number of kidnap victims to 20, since it is known that in the eastern region the terrorists are holding 13 others in addition to municipal secretaries and employees. Ines Guadalupe Duarte Duran, the president's daughter, has also been kidnapped, and it is not yet known what group is responsible. This brings the number of kidnap victims to 20 or 25, officials have stated.

To date no group has claimed responsibility for the action, so no contact has been established to see what the demands for their release will be, officials said.

They said that the governments of the world, human rights organizations, and international organizations should condemn and repudiate the kidnapping of these officials since this is a violation of the most sacred human rights, such as freedom and respect for one's physical integrity.

The officials said that with the exception of the mayors of El Sauce, San Simon, and Ereguayquin, who belong to the ARENA-PCN [Nationalist Republican Alliance-National Conciliation Party] coalition, and the mayor of Jucuaran who belongs to PAISA [Salvadoran Authentic Institutional Party], the mayors kidnapped thus far belong to the Christian Democratic Party.

The officials said that a march for the release of the mayors will be held in San Miguel today even though a transportation stoppage ordered by the subversives is in effect. They added: The subversives just want to obstruct this action in order to say later that they have support. The officials also said that a similar, earlier activity was suspended in view of the terrorist demands for the release of the mayors, but the subversives did not keep their word.

COPREFA COMMUNIQUE ON FMLN-FDR TRAFFIC BAN

PA210137 San Salvador Radio Cadena YSKL in Spanish 1730 GMT 20 Sep 85

[Communique issued by Armed Forces Press Committee (Coprefa); date not given]

[Text] In view of the latest FMLN-FDR terrorist groups' threats against public traffic, both urban and rural, the Armed Forces announce to the Salvadoran people:

1. Aware of their duty to protect all residents whose right it is to move freely through the national territory, the Armed Forces will step up vigilance by Air Force, infantry, and cavalry members.

2. The Armed Forces High Command condemns actions such as those of the FMLN-FDR, because public traffic cannot be considered a military target under any circumstances. This announced traffic stoppage constitutes a flagrant violation of the fundamental rights of all citizens. These rights are the basic bulwarks of freedom in any democratic nation.

3. Therefore, we urge all citizens of our country not to allow themselves to be frightened by the enemies of our homeland, who want only to make propaganda and destroy property and opportunities for employment and all the benefits what we have succeeded in attaining with great efforts.

GOVERNMENT DENIES KNOWLEDGE OF SPADAFORA CASE

PA210233 Paris AFP in Spanish 0129 GMT 21 Sep 85

[Text] San Salvador, 20 Sep (AFP) -- Today the Salvadoran Government categorically denied having any knowledge of the possible kidnapping of slain Panamanian guerrila Hugo Spadafora, as was reported in Panama.

German-born businessman Manfred Hoffman Wittenberg told AFP in Panama that the Salvadoran Government had known about Spadafora's kidnapping and that the Salvadoran guerrillas could be blamed for last week's murder.

Roberto Viera, deputy culture and communications minister, said that the report "is totally false," adding that all military and political circles have been contacted and that all agree that the report is groundless.

VENCEREMOS CLAIMS DEFEAT OF AIR OPERATION

PA221659 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 18 Sep 85

[Excerpts] Attention, much attention, Salvadoran people. Attention, much attention. Radio Venceremos reports to our people. The military counterattack operation in Morazan Department has concluded. The FMLN has defeated the Armed Forces' operation initiated on 4 September. The biggest landing of helicopter-borne troops ever attempted by the Armed Forces during the war in this department has been overwhelmingly defeated.

We inform our people that at 0930 on Monday, 16 September, a large air operation was initiated in Morazan to land troops by helicopter at Arambala. To this end, [word indistinct] two Alouette helicopters showed up in Morazan Department, as well as six rocket-launching helicopters recently delivered by the U.S.Government, a C-47 aircraft, on O-2 reconnaissance aircraft, and [words indistinct] A-47 Dragonfly aircraft.

These modern aircraft concentrated their firepower on Arambala and its outskirts in a softening-up operation to facilitate the landing of airborne troops. From 0930 Monday until 1330, that is to say for 4 hours, our forces repelled the attack and succeeded in damaging two U.S.-made helicopters. We also report that our forces seriously wounded a helicopter pilot. After 4 hours of strafing, bombing, and rocket-launching, the enemy did not succeed in completing the landing of troops. The enemy's demoralization was evident when all the aircraft flew away, including the two damaged helicopters, taking with them a wounded helicopter pilot. This is one of the greatest victories by the FMLN's high, fighting spirit against the biggest helicopter operation ever devised by the eight U.S. colonels who make the plans for the gorilla High Command.

We will now present the number of casualties inflicted on the dictatorship during patrols and actions in Morazan during the 12 days that the failed operation lasted. Much attention. In 12 days of combat in Morazan we inflicted 46 casualties on the dictatorship's troops, including dead and wounded. The 46 casualties include an officer of the Ponce Battalion and a helicopter pilot. We suffered three casualties during the 12 days of the enemy operation in Morazan, including the action against the helicopter-borne troop landing in Arambala. Two of these casualties were deaths and the other was a wounded combatant. In addition, we hereby report that the dictatorsip spent anywhere from 300,000 to 400,000 rounds of ammunition and 20,000 lbs of explosives, including rockets and bombs. Since we suffered 3 casualties, the enemy spent 100,000 rounds of ammunition for each of our casualties during this operation.

During the operation and in the application of our guerrilla strategies, we spent 1,500 rounds of ammunition, that is to say, 1,000 rounds to repel and defeat the helicopter-borne landing on Arambala. [sentence as heard]

CORRECTION TO CLANDESTINE PROGRAM CITING CASTILLO FRONT

The following correction pertains to the item headlined "Special Clandestine Program Cites Castillo Front" published in the 19 September Latin America DAILY REPORT, page P 9, last paragraph, first line: "We demand the liberty of . . . (providing dropped words)

GUATEMALA

NATIONAL POLICE PLACED ON STATE OF ALERT

PA200140 Guatemala City Radio Nuevo Mundo in Spanish 1100 GMT 17 Sep 85

[Text] Police sources have reported that the national police are on a state of alert both in Guatemala City and some departments in the country's interior as of 16 September in an effort to prevent disturbances arising from the current situation. It has also been reported that the police have been on alert for some time but that the measure has been stepped up in the past few days. The sources stated that it is almost certain no violent actions will take place such as those of some days ago in Guatemala City.

In addition, the police have redoubled vigilance along highways in the interior and in some department capitals. Several measures are likely to be announced in the next few hours. The National Police General Directorate met with all police commanders in the capital to analyze the situation and take preventive measures, it was reported by official sources.

MINISTER CLARIFIES TALKS WITH MEXICO ON REFUGEES

PA200119 Guatemala City PRENSA LIBRE in Spanish 18 Sep 85 p 7

[Text] The Guatemalan Government has reached a basic understanding with the Mexican Government in connection with the repatriation of Guatemalan refugees in that country, Guatemalan Foreign Minister Fernando Andrade Diaz-Duran stated 2 days ago.

He made the statement in reference to another statement issued by the Mexican deputy secretary of government in Chiapas, Mexico. The Mexican official stated that "the Mexican Government will not negotiate anything in connection with the Guatemalan refugees who are now receiving benefits and support so that they may contribute to development in Mexico."

It is my belief, Andrade Diaz-Duran said, that the Mexican official meant to say that Mexico is making efforts to help the Guatemalan refugees. However, negotiations are being advanced between the two governments' foreign affairs offices, and in that sense I can say that there have been negotiations and a bilateral resolution which resolves to consult with each and every refugee so that each may state freely his or her desire to return to Guatemala. I believe that the statement was misunderstood within its general context. However, we maintain contact with the Mexican authorities, and we are in a position to state that a basic entente with the Mexican Government on this matter has been reached.

OFFICIAL EXPECTS HELP FOR ECONOMIC SITUATION

PA210431 Hamburg DPA in Spanish 1940 GMT 20 Sep 85

[Excerpt] Guatemala City, 20 Sep (DPA) -- Guatemalan Labor Minister Carlos Padilla Natareno said today that international aid that will undoubtedly be offered to Guatemala after the presidential elections on 3 November and increased exports will soon augment the country's fiscal revenues and will help overcome the currently difficult economic and financial situation.

Padilla Natareno told DPA that the military government is aware that the increase of 50 quetzales recently authorized for public employees is insufficient to confront Guatemala's currently critical situation, but he asserted that the government is truly unable to give a bigger increase. (The Guatemalan currency is officially on a par with the U.S. dollar, but in reality it is devalued to 4 quetzales for $1).

He also said that the wage increase authorized represents a "relief" while Guatemalan finances are bolstered. The international aid that will arrive after the elections -- which the military government has promised will be free and democratic, and after which it has promised to turn power over to the civilian elected, during an inaugural ceremony slated for January 1986 -- will contribute to this bolstering of Guatemala's finances, he added.

MLN-PID CAMPAIGNERS VICTIMS OF BOMB ATTACK

PA202045 Guatemala City PRENSA LIBRE in Spanish 18 Sep 85 p 5

[Text] Unidentified individuals detonated a booby trap yesterday as vehicles transporting campaigners of the MLN-PID [National Liberation Movement-Democratic Institutional Party] coalition drove along a street in the village of Mesillas Altas, Amatitlan. Three people, including the candidate for the mayorship of Amatitlan, Marcelo Augusto Chinchilla Ardon, were wounded.

The report was issued by PID leader Jaime De la Pena, who blamed "sectors who are desperately attempting to obstruct the country's electoral process" for the attack.

He stated that two campaign vehicles of the MLN-PID coalition were moving through the area at approximately 1310 where the bomb exploded. Chinchilla Ardon and two other people were injured.

De la Pena added that "this action is designed to instill fear among the supporters of the right-wing democratic coalition because its presidential candidate Mario Sandoval Alarcon is gaining much popular support."

These actions, De la Pena said, hinder the process of returning to constitutional rule which all Guatemalans are intent on achieving. However, he said, these actions will not scare us: On the contrary, they motivate us in our quest to attain power in the coming elections." [quotation marks as published]

ARMY 'ACKNOWLEDGEMENT' DEFENDS DEMOCRACY

PA191842 Tegucigalpa Cadena Audio Video in Spanish 1225 GMT 19 Sep 85

["Public Acknowledgement" issued by the office of the High Command of the Honduran Armed Forces; date not given; read by Army spokesman Roberto Gonzalez -- recorded]

[Text] The High Command of the Honduran Armed Forces hereby and as a historical testimony publicly acknowledges the eminently patriotic conduct observed by all sectors of Honduran society which, in response to the latest Sandinist aggression against the national sovereignty, expressed their unwavering solidarity with the Honduran Armed Forces in the defense of our beloved country. This public acknowledgement is particularly addressed to those labor and trade union organizations, professional schools, state institutes, and people in general who manifested their absolute support for the armed institution in fulfillment of such lofty and honorable responsibilities. These facts unquestionably confirm the indissoluble ties that join all Hondurans before the altar of the fatherland.

The above notwithstanding, it is valid to note the public speculation that emanated from traitorous and permanent enemies of peace, tranquillity, and the democratic system in the republic who, abusing the unrestricted freedom of expression, have sought to minimize the aggression suffered and the tragic aftermath of victims, hinting at a devious intention on the part of the Honduran Armed Forces to disrupt the electoral system that will culminate on 24 November and which on numerous occasions we have clearly established will be respected for the sake of the prevalence of the law and the republican and representative system, which we are dutybound to promote.

At the same time the Armed Forces High Command takes this opportunity to reiterate publicly its firm, steadfast will to keep the sacred interests of Honduras untouched at whatever cost.

[Signed] High Command of the Honduran Armed Forces

REPORT DETAILS NICARAGUAN TROOP INCURSIONS

PA191559 Tegucigalpa CAdena Audio Video in Spanish 2040 GMT 16 Sep 85

[Report by Danilo Antunez]

[Text] Nicaraguan Government troops have carried out 64 incursions into Honduran territory between January and September 1985. The results of these incursions have been 11 persons killed -- civilians and soldiers -- 23 wounded, and 7 homes destroyed. In 1984, 43 incidents were reported which resulted in 26 Honduran dead. The incidents reported at the border with Nicaragua between January and September 1985 are as follows:

1. January 4, 1985: Sandinist People's Army (EPS) soldiers shelled Montecristo, San Fernando, and Buena Esperanza, Jutiapa, with BM-21 artillery. The number of rockets launched has not been established.

2. January 10, 1985: EPS troops entered Honduran territory through the area of Horno Chinampa, Dipilto.

3. January 10, 1985: Information was received that EPS soldiers were placing mines from La Picona Hill to Mata de Platano, Dipilto.

4. January 18, 1985: An unknown number of EPS soldiers entered Honduran national territory through the area of Arenales, El Paraiso Department. They were pursuing a man and a 10-year-old child. The Sandinist patrol withdrew into Nicaraguan territory after killing the man and wounding the child.

5. January 19, 1985: The commander of the 101st Infantry Brigade stationed in Choluteca reported that near the area of Isnaya, Somoto, only meters from the Honduran border, an antipersonnel mine exploded, seriously injuring a Nicaraguan citizen. Following the explosion of the mine, an EPS patrol entered Honduran territory through the area of Isnaya and headed for Hacienda San Juan, where they captured two Honduran citizens. They were interrogated regarding the location of anti-Sandinist and Honduran Army bases and later released.

6. January 23, 1985: EPS soldiers opened fire on the Guasaule customs post. Honduran soldiers responded to the fire. No casualties were reported.

7. January 24, 1985: It was reported that EPS soldiers, estimated to be a platoon, entered Honduran territory through the area of Los Lirios, Santa Maria. They withdrew into Nicaraguan territory 4 hours later.

8. January 26, 1985: Using 122-mm BM-21 artillery, EPS soldiers harassed the areas of Cacamuya and La Mina, Concepcion de Maria, Cinco Pinos. It has been estimated that approximately 70 rockets landed in the mentioned areas as well as surrounding areas.

9. January 30, 1985: The commander of the 11th Infantry Battalion reported that EPS soldiers used rifle fire to harass the Palo Verde Military Detachment, Concepcion de Maria, Cinco Pinos. The attack lasted approximately 25 minutes. The Honduran forces responded to the fire, and as a result the EPS suffered one dead and one wounded.

10. January 10, 1985 [as heard]: Approximately 4,900 infantry and special forces soldiers were deployed to an area bordering on the east with (La Pata), to the north with Teotecacinte, to the west with Santa Maria, and to the south with Asturias.

11. January 31, 1985: EPS soldiers fired their artillery on the area of (La Lodosa) and Crique de Oro, San Fernando. It is estimated that approximately 30 rockets hit Honduran territory. No casualties were reported.

12. February 4, 1985: Jose Miguel Funez, a Honduran citizen, was shot by the EPS. The incident occurred in the area of (Carrizal Prieto), Duyure jurisdiction, Choluteca.

13. February 13, 1985: PES troops ambushed a patrol of the 6th Infantry Battalion in the area of Las Limas, San Fernando. No casualties were reported.

14. February 19, 1985: EPS soldiers harassed the area of (La Supa) with 122-mm mortar fire. It has been calculated that approximately 25 rockets landed in Honduran territory. No casualties were reported.

15. February 24, 1985: Seventy Nicaraguan citizens entered Honduran territory through the area of Las Dificultades, Dipilto. They have remained in the country under the status of refugees.

16. February 28, 1985: EPS soldiers entered Honduran territory through the area of the village of (El Subico), Rio Poteca. They took Anastasio Molina, a Honduran citizen, prisoner. He was later released after being interrogated regarding the location of Honduran troops and of the Nicaraguan Democratic Front [FDN].

On the same day, 32 Nicaraguan citizens entered our country through the area of Las Dificultades, Dipilto, and El Canton.

17. March 2, 1985: Twenty-three persons coming from Nicaragua entered Honduran territory through the area of Arenales. They have remained in the country as refugees.

18. March 7, 1985: EPS soldiers opened fifle fire for 30 minutes against the Palo Verde military post, Concepcion de Maria, Cinco Pinos. The Honduran forces responded to the fire. No casualties were reported.

19. March 12, 1985: EPS soldiers shelled the area of Montecristo, San Fernando, Honduras. Somewhere between 35 and 38 rockets fell in Honduran territory. Two of these rockets fell on the home of Mariano Gonzalo Rodriguez. This attack resulted in the death of Fernando Antonio Maldanado, a 17-year-old Nicaraguan citizen. Carlos Humberto Rodriguez Maldonado, a 20-year-old man, was wounded.

20. March 14, 1985: EPS soldiers fired their artillery on Honduran territory. Approximately 50 120-mm rockets fell on Las Minas Hill, Cacmuya, Concepcion de Maria.

21. March 15, 1985: Fifteen Nicaraguan citizens entered Honduran territory through the area of Las Dificultades. They have remained in the country as refugees.

22. April 2, 1985: Seventeen EPS soliders, led by an officer, entered Honduran territory through the area of La Fraternidad, San Marcos de Colon jurisdiction. They were traveling in seven ZIL-131 Soviet-made vehicles. They were all members of the 20-00 Transportation and Security Battalion stationed in Managua. Following the usual interrogations, this group came into the country to take recruits from Somoto to the Dennis Gutierrez training center, better known as Mulukuku, Matagalpa.

23. April 21, 1985: EPS soldiers opened artillery fire with the use of BM-21's on the areas of Venado Hill and Las Vegas. Approximately 150 rockets landed in Honduran territory. One FDN casualty was reported.

24. April 19, 1985: EPS soldiers entered our territory through the areas of Carrizal Pireto, Morolica. A Honduran Patrol stationed in the area opened fire on the Sandinist patrol. One casualty was inflicted. The enemy withdrew from Nicaraguan Territory.

25. April 24, 1985: EPS soldiers, in coordination with subversives from the Cinchoneros Front, mined the road between Trojes and Las Vegas, especially the area between La Cuesta de Zepeda and Capire Hill. The Honduran troops proceeded immediately to sweep the area.

26. April 20, 1985: One-hundred-and-thirty Nicaraguan citizens entered Honduran territory through the area of Las Dificultades, Arenales, El Suyatal, Las Canas, and El Pedregalito.

27. May 24, 1985: EPS soldiers attacked the Guapinol and Arenales sector in El Paraiso Department near the Poteca River with artillery fire, which resulted in one dead, four wounded, and four houses destroyed.

28. May 5, 1985: EPS soldiers harrased El Tablazo sector, El Paraiso Department with BM-21 artillery fire. On that same date, the EPS harassed the Tapalchi sector, in the same department, with BM-21's.

29. May 5, 1985: The EPS attacked the Espanol Grande sector with heavy artillery fire. The attack continued until 1700. The bombing continued in the Arenales sector until 1730. No casualties were reported.

30. May 6, 1985: The EPS bombed the EL Tablazo sector with heavy artillery. The attack lasted 45 minutes.

31. May 12, 1985: EPS soldiers entered Honduran territory through the Supa sector, which resulted in a clash with troops of the Nicaraguan Democratic Force, FDN. No casualties were reported.

32. May 12, 1985: One hundred Nicaraguans entered Honduran territory through the Banco Grande Sector, El Paraiso Department.

33. May 14, 1985: An unidentified twin-engine plane overflew the Las Vegas area and then returned to Nicaragua.

34. May 14, 1985: The EPS carried out activities to evacuate the civilian population in the following places: San Jeronimo, Arenales, El Mapa, La Reforma, Ceiba, Palo Prieto, Doradito, El Rosario, Las Brisas, Quebrada Negra, El Paraisito Poteca River, and Las Chechaguas Hill, in the Cuscaguas area. They installed a 152-mm cannon in the Pantasma area, and 8 122-mm howitzers and a PT-76 company in Apanas.

35. During the first days of June an EPS military unit carried out a reconnaissance operation in Honduran territory, 1 km north of El Ocotal. During that same period three surveillance posts were installed near Santa Maria.

36. June 14, 1985: EPS soldiers entered Honduran territory through the Talpache sector, approximately 500 meters from the border, and returned to Nicaragua 3 hours later.

37. June 17, 1985: Three Nicaraguans died in Puerto Morazan when they triggered mines in that sector while heading for Honduras.

38. June 17, 1985: Six antipersonnel PTMI mines and a Czechoslavak -made SR mine were deactivated in El Aguacatal, Dipilto.

39. June 19, 1985: EPS soldiers entered Honduran territory through the Las Dificultades sector in Dipilto, capturing one Nicaraguan and one Honduran citizen.

40. June 19, 1985: Four antipersonnel mines were deactivated in the Las Dificultades sector, Dipilto.

41. June 27, 1985: The EPS opened artillery fire over the La Esperanza and La Colina sectors. The fire probably came from the La Suapa Hill near the Poteca River. No damages were reported.

42. June 20, 1985: The EPS reinforced military posts in Jalapa, Santa Maria, and Dipilto Viejo.

43. June 22, 1985: One Honduran citizen and two others were wounded as they crossed a minefield in Nicaraguan territory near El Guasaule, Puerto Morazan.

44. July 1, 1985: Two Honduran citizens who were transiting the Las Limas sector, Dipilto, were seriously wounded when they triggered a mine in that area.

45. July 4, 1985: The EPS harassed areas near Alauca, such as the San Antonio River, La Manzanilla, and Quebrada Honda in El Paraiso, with BM-21 rockets. No casualties were reported.

46. July 5, 1985: The EPS harassed Honduran territory through the Tapalchi sector, in the Carta River area, with mortar grenades. No casualties were reported.

47. July 10, 1985: Troops of an EPS detachment who were probably members of the 61st Brigade headquartered in El Rosario del Salto entered Honduran territory through Maquengales, in the Poteca River area.

48. July 10, 1985: Forty-three Nicaraguans entered Honduran territory through the Juji sector in Llanos de Iltara.

49. July 6, 1985: EPS troops entered Honduran territory through the Tapalchi and Puerto Viejo sectors in the Poteca River area.

50. July 10, 1985: EPS soldiers harassed Honduran territory near Calentura, El Horno, El Canton, and El Jibral hills in Jutiapa with BM-21 fire. It has been estimated that approximately 130 rockets fell in the area. One house was destroyed as a result of the attack.

51. July 17, 1985: An EPS squad entered Honduran territory through the Tapalchi sector and clashed with FDN troops. The Commander of the EPS group was killed in the incident.

52. July 23, 1985: EPS soldiers harassed San Marcos, La Ceiba, with 82-mm mortar fire. Approximately 10 grenades hit Honduran soil. One house was damaged as a result of the attack.

53. July 18, 1985: EPS troops carried out a surprise attack on a Honduran patrol stationed in El Pedregalito while conducting a routine patrol operation in La Jagua sector, Dipilto. The Honduran forces returned the fire. No casualties were reported.

54. July 18, 1985: EPS soldiers harassed Honduran territory in the sector of El Potrero Grande with small arms fire. No casualties were reported.

55. July 19, 1985: EPS soldiers harassed the Corrales area in Jutiapa with Soviet-made BM-21 rocket launchers. As a result of this attack, a resident of Las Flores village was killed, and his 19-year-old son was seriously wounded.

56. August 14, 1985: An EPS patrol entered Honduran territory through La Laguna area, clashing with a patrol of the 110th Infantry Brigade near Jesus Hill in Jalapa. The Honduran patrol sustained two casualties as a result of the clash.

57. August 15, 1985: An EPS patrol made up of approximately 20 soldiers from the Limon Valley, Jalapa military post, entered Honduran territory through La Lima, Jucuapa.

58. August 24, 1985: A company of EPS soldiers stationed at the border post in La Ceiba, Jutiapa, entered Honduran territory through Jesus Hill up to La Gloria farm. No damages were reported in the area.

59. September 6, 1985: A patrol of the 11th Infantry Battalion was attacked by surprise by the EPS with small arms fire near Las Pinas, in the Concepcion de Marias, Cinco Pinos area, while on a routine patrol. No casualties were reported.

60. September 7, 1985: EPS soldiers harassed the La Lodosa area at Montecristo Hill in San Fernando. Approximately 22 grenades hit Honduran territory, and, as a result, a house was destroyed.

61. September 9, 1985: EPS soldiers harassed the Caguasca area in San Juan de Limay. This action was possibly carried out by troops at El Hato border post, approximately 5 km from the border, and as a result one man was wounded.

62. September 10, 1985: An EPS patrol entered Honduran territory through San Andres de Amayas supported by Nicaraguan Air Force planes that bombed the area.

63. September 12, 1985: Using BM-21 rocket launchers, EPS members harassed the Boca de Arenales sector near the Poteca River. No damages were reported.

64. September 13, 1985: EPS soldiers harassed the El Espanolito sector with 120-mm mortar fire. One soldier was killed and eight were wounded as a result of the attack. They were members of the 6th Indantry Battalion.

65. September 13, 1985: EPS soldiers harassed La Lodosa with heavy artillery fire. No damages were reported.

This was a complete report on the 64 incursions into Honduran territory by Nicaraguan troops from January to September of this year, which have resulted in 11 people killed, including civilians and military, 23 wounded, and 7 houses destroyed.

NICARAGUA

ORTEGA TO ADDRESS UN GENERAL ASSEMBLY

PA212337 Managua LA PRENSA in Spanish 19 Sep 85 p 5

[Text] The Presidential Palace's Information and Press Secretariat has reported that Commander Daniel Ortega will travel to the United States in the next few days to deliver a speech to the UN's 40th General Assembly. The press communique released yesterday does not indicate the exact date Ortega will go to New York, only that he will travel soon.

According to the press bulletin, Ortega will discuss the search for peace, the defense of international law, and the world economy's critical situation during his speech to the United Nations.

ORTEGA MESSAGE NOTES MEXICAN ANNIVERSARY

PA202001 Managua Radio Sandino in Spanish 0000 GMT 17 Sep 85

["Text" of message sent by Nicaraguan President Daniel Ortega to Mexican President Miguel de la Madrid on the anniversary of Mexico's independence day; date not given]

[Text] Dear President and friend:

On behalf of the people and Government of Nicaragua, we join the people and Governments of the United Mexican States in rejoicing on the commemoration of the anniversary of the day of proclamation of the republic in 1810.

On this significant date I wish to stress especially the invaluable contribution to Central American peace and stability of the Mexican nation, whose efforts as a member of the Contadora Group are an example of the loftiest principles of cooperation, solidarity, and respect. The Nicaraguan people and government appreciate the valuable solidarity of the people and Government of Mexico and note this new anniversary of the day of proclamation of the republic of the United Mexican States. We wish for it a brilliant future of peace and prosperity.

[Signed] Fraternally, Daniel Ortega Saavedra

PRESIDENT SENDS MEXICANS SOLIDARITY MESSAGE

PA212029 Managua Domestic Service in Spanish 1950 GMT 21 Sep 85

[Message from Nicaraguan President Daniel Ortega to the Mexican people -- recorded and broadcast during a linkup with Radio Metropoli in Guadalajara, Mexico]

[Text] Good afternoon. We wish to avail ourselves of this direct communication with the Mexican people through our radio system in order to convey the soldiarity of the Nicaraguan people and Government with the Mexican people and Government. We wish to tell the Mexican people and President De la Madrid that we are in solidarity with you in those difficult and tragic moments.

Here in Nicaragua we regret this tragedy, which is a Latin American tragedy. The earthquake which shook Mexico shook Nicaragua and all of Latin America. We wish to send our condolences to the relatives of all those who have died in this earthquake and tell you that the Nicaraguan people are with the Mexican people. We send you all our love, solidarity, and fraternal sorrow. Thank you.

SOVIET TECHNICIANS STUDYING WATER PROBLEMS

PA191934 Managua Radio Sandino in Spanish 1930 GMT 17 Sep 85

[Text] A group of Soviet experts is currently in Managua to look into the capital's drinking water problem. The Soviet experts have been meeting daily with the various INAA [Nicaraguan Water and Sewage Institute] officials handling this problem and have visited the Carlos Fonseca field of wells, which is an important source of water for Managua.

At the conclusion of their 1-month survey, the Soviet technicians will submit a report on the situation, and the possibility of providing Soviet financing for the work to be done by INAA will then be considered.

POLAND'S JARUZELSKI ARRIVES IN HAVANA FOR VISIT

Greeted by Castro at Airport

FL202238 [Editorial Report] Havana Television Service in Spanish at 2051 GMT on 20 September broadcasts live Polish leader Wojciech Jaruzelski's arrival at Jose Marti International Airport.

At 2051 GMT Manolo Ortega, Tele-Rebelde announcer, reports that Jaruzelski's plane will be landing shortly. While he is speaking a still of Jaruzelski is displayed. The camera then gives a full shot of Jaruzelski's plane as it approaches the airport. The camera pans the audience as Ortega announces that the Cuban people are prepared to give the Polish leader a warm welcome. The crowd is waving Polish and Cuban flags. The camera then gives a full shot of the Polish flag flying at the airport.

At 2055 GMT Jaruzelski's plane lands and begins taxiing down the runway. The camera gives a full shot of the plane as it comes to a halt and then the camera swings over to the honor guard standing at attention waiting for Jaruzelski to appear.

The announcer reports that Jaruzelski's entourage includes his wife Barbara Jaruzelski, Polish Politburo members Jozef Czyrek, Foreign Minister Stefan Olszowski, Council of Ministers Deputy Chairman Zenon Komender, Division General Michal Janiszewski, chief of the Office of the Council of Ministers, and others.

At 2100 GMT the plane stops in front of the terminal and the camera focuses on the Cuban diplomatic corps waiting on the runway. A wide shot from the camera shows Fidel Castro, Raul Castro, and Vilma Espin moving toward the ramp which has been placed at the airplane's door.

Jaruzelski exists from the plane at 2102 GMT preceded by other men in the entourage. He is wearing his military uniform while Fidel Castro is wearing his fatigues. Raul Castro is also in military uniform. Jaruzelski embraces Fidel Castro as he reaches the bottom of the ramp. He then proceeds to Raul Castro and Vilma Espin, embracing each of them.

At 2104 GMT the leaders form a line as the welcoming ceremony officially begins, Fidel Castro, Raul Castro and Jaruzelski salute while the Cuban national anthem is played. Mrs Jaruzelski stands behind her husband next to a woman who appears to be an interpreter. After the Cuban anthem concludes, the Polish national anthem is played.

The leaders then proceed to their designated areas as Colonel Guerrero Ramos, chief of the honor guard, announces to Jaruzelski that the honor guard is ready for inspection. Saluting, Fidel and Raul Castro follow Jaruzelski as he inspects the guard.

At 2108 GMT Jaruzelski begins shaking hands with other Cuban leaders including Armando Hart Davalos, Carlos Rafael Rodriguez, Jorge Risquet, Isidoro Malmierca, other Politburo and Central Committee members, and leaders of mass organizations. Castro follows Jaruzelski also shaking hands with the Cuban leaders in the reception line. Mrs. Jaruzelski follows the leaders but does not shake hands with anyone.

Jaruzelski is then greeted by a group of pioneers who welcome him with a floral arrangement. He then greets Polish citizens living in Cuba. The crowd begins chanting and cheering.

Jaruzelski walks toward the area cordoned off for the public. There is chanting in Spanish and Polish welcoming Jaruzelski. The Polish leader waves to the people. The crowd begins chanting "Fidel, Fidel".

The honor guard then begins a procession marching to military music past Jaruzelski, Fidel, and Raul Castro. The three leaders salute as the honor guard files past them.

At 2117 GMT a limousine drives up to the area where the three leaders are standing. Jaruzelski waves to the crowd as he gets into the limousine. The limousine drives out of the airport and the camera returns to the studio at 2119 GMT.

Castro Hosts Reception

FL211824 Havana Domestic Service in Spanish 1100 GMT 21 Sep 85

[Text] Commander in Chief Fidel Castro, first secretary of the Communist Party of Cuba and president of the Councils of State and Ministers, held a reception in Havana in honor of the Polish delegation headed by Poland's top leader Wojciech Jaruzelski. Jaruzelski and his entourage arrived Friday afternoon as the result of an official and friendly invitation from Commander in Chief Fidel Castro. At the Jose Marti International Airport, the distinguished visitors received a warm welcome from a diverse and enthusiastic representation of the people of Havana.

Castro and Jaruzelski will head their respective delegations in official discussions scheduled to begin today, Saturday.

Wreaths Laid at Monuments

LD212226 Warsaw PAP in English 2108 GMT 21 Sep 85

(By PAP correspondents)

[Text] Havana, Sept. 21 -- On the second day of his official, friendly visit to Cuba, the first secretary of the PUWP CC, chairman of the Council of Ministers, General Wojciech Jaruzelski laid wreaths at the monument to Cuba's national hero, Jose Marti and at the grave of General Karol Roloff-Mialowski, and afterwards toured the historic museum of Havana.

Jose Marti, a distinguished fighter for Cuba's liberation from colonial domination of Spain, was also one of the most renowned Cuban and Latin-American poets. The wreath-laying ceremony at the Jose Marti monument on Havana's Revolution Square was held on Saturday afternoon. General Jaruzelski arrived at this impressive monument accompanied by members of Polish delegation.

Also present at the ceremony was members of Communist Party of Cuba CC Political Bureau, vice-president of the Council of State and Council of Ministers of the Republic of Cuba, Carlos Rafael Rodriguez. The wreath laid by Gen Jaruzelski was composed of red and white flowers and bore an inscription reading: "First Secretary of the Polish United workers' Party Central Committee, Chairman of the Council of Ministers, General of the Army Wojciech Jaruzelski."

Following the wreath-laying ceremony, General Jaruzelski was taken to the historic Museum of Havana, where he was acquainted with the history of Havana and its relics, some dated back to 15th century. The exhibits displayed at the museum picture the Cubans' struggle for liberation from Spanish colonialism and their fight against american imperialism. A brick from the foundation of Warsaw's Royal Castle, which was destroyed by the Nazis, and the Polish emblem -- white eagle were placed in a wall at the museum courtyard. A wreath was laid at the wall, with an inscription saying: "A los Heroes De Varsovia -- Officina Del Historiador De La Ciudad De Habana" (To the Heroes of Warsaw from the Conservator's Office of the City of Havana).

In the afternoon, the Polish delegation arrived at the Columbus Cemetery, the resting place of General Karol Roloff-Mialowski, Cuba's national hero of Polish origin. Chairman of the Council of Ministers, General Wojciech Jaruzelski laid a wreath of white and red flowers on his grave.

General Karol Roloff-Mialowski was born in Warsaw in 1842, and became one of the heroes of the anti-colonial struggle of the Cuban nation. He is widely known mostly because of his participation in the war for independence and for his later services to the young Cuban state. He was honoured with many distinctions and appointed the minister of war, general army inspector and treasury minister.

The plenary talks between both delegations were held Saturday afternoon. The programme for the third day of the visit envisages a trip to the city and province of Cienfuegos, a tour of local industrial plants and talks with local party authorities.

'Plenary' Talks Held 21 Sep

LD221901 Warsaw PAP in English 1700 GMT 22 Sep 85

[Text] Havana [and date as received] -- The delegations of Poland and Cuba held plenary talk in the palace of the revolution in Havana on Saturday. The delegations were led by the PUWP First Secretary, Prime Minister, General Wojciech Jaruzelski and by CPC CC First Secretary, President of the Council of State and the Council of Ministers, Fidel Castro. The plenary session was preceded by talks between the foreign ministers of both countries: Stefan Olszowski and Isidoro Malmierca.

The talks by both delegations lasted more than 2.5 hours. Reports were delivered on the results of consultations on international issues and bilateral economic cooperation. It was a very extensive exchange of opinions, which demonstrated convergency or identity of the evaluations of the international situation and the existing dangers, and a common approach to what must be done jointly in order to defend such basic values as peace, disarmament and relations between nations based on equal footing.

The Polish side presented its assessment of the situation in Europe, pointing to the attempts to erode the status quo, the consequences of the deployment of the U.S. Pershing and Cruise missiles, and the revival of revanchist tendencies in the FRG which hits out at not only the Polish interests.

Both sides also pointed to positive elements which recently appeared in the international situation -- the CSCE follow-up meeting in Helsinki, whose participants agreed that the Helsinki process should continue, as well as the announcement of the Gorbachev-Reagan summit.

The Polish delegation also briefed the Cuban side on Poland's relations with the Western states, processes of overcoming Poland's obligation on the international [word indistinct] exerted on Poland and continuing U.S. restrictions against Poland. It also presented its appraisal of the conflicts which occur in various parts of the world.

The Cuban side shared the Polish assessments and presented its position on the situation in the region and the nonaligned movement, with special emphasis on the situation in Central America and tense relations with the United States.

The exchange of views passed in the spirit of sincerity and friendship and revealed complete convergence of the evaluations of both international issues and bilateral relations, whose development has been markedly accelerated in recent years.

The Polish side underscored Cuba's friendship and principled position on the development of the situation in Poland in recent years. [Words indistinct] a high evaluation of the measures adopted in Poland and firmly supported the Polish efforts to normalize the situation.

Both sides also discussed the course of preparations for signing (?long)-range programme for the development of economic and scientific-technological cooperation between Poland and Cuba until the year 2000.

As is known, Poland currently signs such agreements with the respective CMEA partners. Both sides also touched upon the work to coordinate the quinquennium plans of Poland and Cuba.

The participants in the talks on the Polish side included members of the delegations accompanying W. Jaruzelski on his visit to Cuba. The participants on the Cuban side were: Gen Raul Castro - member of the CPC CC Political Bureau, CC second secretary and first deputy president of the Council of State and the council of ministers; Carlos Rafael Rodriguez - member of the CPC CC Political Bureau, deputy president of the Council of State and the Council of Ministers; Jesus Montane Oropesa - alternate CPC CC Political Bureau member, CC secretary, head of the CC foreign department, Gen. Senen CAsas - CPC CC Political Bureau alternate member, Member of the Council of State and vice-minister of the Revolutionary Armed Forces, Chairman of the Cuban-Polish friendship society; Antonio Esquivel - vice-premier; Jose A. Lopez Moreno - chairman of the Planning Commission; Diocles Torralba - vice-premier, minister of transport, chairman of the Cuban side in the Polish-Cuban mixed commission; Isidoro Malmierca - minister of foreign affairs, German Amado Blanco - vice-minister of foreign trade; Rafael Polanco - first deputy head of the CPC CC Foreign Department.

Visits Cienfuegos Province

LD222133 Warsaw PAP in English 2022 GMT 22 Sep 85

[Text] Havana -- On the third day of his official visit of friendship in the Republic of Cuba, the PUWP CC first secretary, prime minister, Gen Wojciech Jaruzelski arrived in the Cienfuegos Province. Its inhabitants in huge numbers lined along the route of the motorcade to accord an extraordinarily warm welcome to the Polish leader.

Wojciech Jaruzelski toured the local sugar shipment terminal, a sugar refinery under construction and the building site of Cuba's first nuclear power station. He also met with representatives of the provincial authorities.

FURTHER REPORTAGE ON PRESS FORUM

Castro Statement

FL181913 Havana Television Service in Spanish 1202 GMT 18 Sep 85

[Response by President Fidel Castro to questions posed by Venezuelan journalist Lucila de Logras during 17 September session of the Latin American Press Forum on the Regional Financial Crisis, held at Havana's Palace of Conventions -- recorded]

[Text] [Lucila de Logras] The refinancing of 15 percent of Cuba's foreign debt has been achieved under better conditions than other Latin American countries.

If Cuba does not have overwhelming economic problems, and the debt is not strangling Cuba like it is other countries, what is your purpose, Mr President, for having these forums? If the idea is not to create a block of debtor countries but to create awareness to the problem, it can be considered that what motivates you is the altruism of an out of the ordinary statesman assuming the initiative by honouring these congresses that seem to be monumental and very costly but, doubtless, should be held by someone. You said not long ago -- and this is the third question -- that the problem of the foreign debt will have to be resolved or the democratic process will die. What measures would Cuba adopt if the democratic systems collapse? Do you consider yourself the savior of Latin American democracy, or of the established capitalist financial system? And the final question is: Because Cuba has established a new economic order with socialist countries, including long-term, no-interest loans, could you become the mediator between Latin America and the USSR as a pressure mechanism so that international banks and the IMF would have to improve the treatment of Latin America and the Third World? that's all [laughter]

[Castro] Dos Santos, if I leave this for tomorrow, I will not sleep tonight! [laughter] Well, I would have to ask for details to see what the terms were for our last refinancing agreements. There are four questions; this will take more than 5 minutes. [laughter]

I know that I participated in the first refinancing procedure. I met with the individuals, the Paris Club. This has been more than 2 years. Refinancing was a new phenomenon. I remember a few years ago, refinancing was synonomous to total bankruptcy. The governments did not want to refinance because it seemed scandalous until the governments were made to refinance.

We have also had our credit needs for several reasons. It was mentioned here, for example, in the case of unequal trade. It is not that way always. It is not that way always [repeats himself]. Many times unequal trade creates a trade deficit. The deficit creates credit necessities, or else one has to impose a great sacrifice on the population. We inherited an underdeveloped, dependent, one-product economy that still carries a lot of weight in the [words indistinct] world. This great weight no longer has the same connotation.

We sell a great portion of that sugar in the socialist market, not to all the socialist countries, depending on the socialist country's development. The result is that sugar is one of the most profitable products for our country, much more so than any other product. It can easily bring in $5,000 per hectare. That is not bad, Corn and other products do not produce as much, but we have guaranteed prices with our sugar. In trading with the Western world, we have to use sugar to obtain currency that we use for a series of products that we cannot purchase in the socialist areas, such as raw materials, medications, and some foods. There are some products which we do not have sufficient natural resources to develop, sufficient land, in two words.

We have developed agricultural products such as citrus, for example. Where have we planted them? If you look at our large citrus plantations, they are almost on top of bare rocks, rocky land. With a large bulldozer, we level the land. We use dynamite to plant citrus. Nothing else can be planted there and, nevertheless, excellent citrus is raised. They have subsoil with water, sufficient land, despite difficulties. The land cannot be used for sugarcane or anything else except for citrus. The best grapefruit in the world is raised in the Isle of Youth, in sandy land of very low quality that cannot even be used for grazing. Nevertheless, it is impermeable land, and with adequate fertilizers it can produce a grapefruit of an extraordinary quality. I warn you that I am not making propaganda because we were thinking of exporting grapefruit to our Latin American brothers.

Finally, I am explaining the origin of our need for credit when sugar prices in the world market collapsed. We saw our sugar at 3, 3 and 1/2, and 4 cents while the needs of the country were maintained and increasing. If we did not receive credit, it was for two reasons.

Because of these problems, the deficit, [words indistinct], a fall in prices, or because we wanted to make some investments for which we did not have fresh currency. We could not pay [words indistinct] in some types of factory, industrial equipment that we could not acquire through socialist countries. There is where our debt orginated and accumulated through the years, not very big. That debt was not very big but it caused a certain burden. In the last few years sugar prices have been [words indistinct] depressed.

We not only suffered the consequences of sugar prices but also of being a blockaded country. To sell our nickel, we had to go through tremendous work. I do not know, for example, if you know that the United States had dictated procedures prohibiting imports of equipment or steel produced with Cuban nickel. We opened a small nickel market in Japan, France, FRG, England, and Italy. Then the United States with its gigantic [words indistinct] economic, important market [words indistinct] Italian, German, Japanese were told: If it has Cuban nickel, you cannot export it to the United States. You can imagine what happened.

We took care of this ourselves. Nickel, as you know, is a mineral composed of molecular atoms. I can't explain how you can place a sign on a molecule of nickel. It is a very difficult thing and I don't know how they arranged this but all this complicated purchases. Some purchased nickel and steel for other things, for other markets. The United States follows all our commercial operations everywhere in the world, whether it is the shrimp or lobster industry. That is another issue for underdeveloped countries, depriving itself of local consumption leaving it for protocol and the rest for some restaurants, around $100 million dollars in shrimp, lobster, and fish exports.

We developed other export items under difficult conditions because, as it has been explained here, to find new markets is difficult, much more difficult if you are blockaded by the United States. We have had to confront difficulties because the blockade is a reality that is manifested everyday at all times. It is an incessant persecution of all our trade operations.

We should say that the banks which gave loans to us under those conditions did not do so during the first 10 years of the revolution. They began doing it little by little. We were receiving short-term loans, as a general rule. We always paid back which built up the country's credit. But those banks -- I believe we are the creditors, excuse me, the debtors to some 100 banks; they are many -- gave us the financing in defiance of U.S. pressures. They did it openly, under great pressure. The United States controls almost all banking institutions in the world, directly or indirectly.

Like the others, we were forced to contract that debt in convertible currency. But this debt in convertible currency is not limited to banks. We have acquired credits with Argentina, Brazil, [words indistinct], and other countries in the Third World. Our debt is made up of credits with some banks and credits with countries in the Third World. That is our debt in convertible currency.

We have reduced our dependence on the so-called world market. Our trade with the Western market amounts to 15 percent of our trade. The rest, 85 percent, of our imports and exports is conducted with countres of the socialist camp; some developed socialist countries in Europe; some underdeveloped countries, with which we trade in practically world market prices, both what we buy and sell; and also China, with which we have rather broad trade relations but based on world market prices.

Nevertheless, this is convenient for them because we supply to them large quantities of sugar, and convenient for us because we receive some foodstuffs such as rice, soya, and a large number of goods produced by the Chinese. This is not the same type of trade we have with other countries, but 85 percent of our trade is conducted with socialist countries.

So, this entire catastrophe, all this crisis affects our trade by 15 percent. It is true that our situation is not overwhelming because, as I have explained before, we now have attained our new economic order with socialist countries, above all with developed socialist countries. As I recently explained, this was not accomplished in 1 day, or on the 1st day. In the beginning, our trade was based on world market prices. It was a great advantage because of the U.S. blockade. [words indistinct] sugar market a quota of nearly 4 million tons of sugar, which was distributed among Latin American countries as a prize for having cooperated in the blockade and aggressions against Cuba, expulsion from the OAS, and so forth.

In reality, those days were very tough for us. The countries took over our sugar quota. In addition to distributing the sugar quota among themselves, the Alliance for Progress program was created as a result of the revolution, and this program gave them some advantages, some worries for imperialism...well, let imperialism worry about it. They worry, what can it do? How can it stop the fire here or there? The Alliance for Progress program was the first attempt to isolate Cuba and, as they said, to try to limit the objective factors which could provoke revolutions. They were very scared, that is the truth.

So, during this period of time...well, this in general is the idea which explains our situation. How, at a certain time, our situation was difficult, but it is not so today. The comrade is correct when she says that our situation is not difficult because... [leaves thought unfinished] I would like to say this. In our debts -- I spoke about the new order with socialist countries -- to socialist countries, we have achieved a new order first in the price of products, but that did not start on the first day. The idea I mentioned was that when the blockade was imposed on us, we were greatly relieved when we found someone to buy our sugar. When the oil supplies were stopped, it was a great relief when someone sold us oil. Who would sell us raw materials? Who would sell us foodstuffs? All those things that the United States stopped selling us. All our problems were not solved because all our machinery, equipment, transportation means, factories, industries, more than 90 percent were manufactured in the United States. Exports of spare parts to Cuba were stopped. Even the exports of medicines and medical equipment were stopped, not even an asprin. Gentlemen, take note of the inhumanity of that policy. Nothing could be sold to Cuba.

Then, we began to trade with socialist countries, and we traded under world market conditions and prices. Later on, little by little we realized that a developing country under a blockade, unless it continued to place an enormous burden on the people, it could not continue to develop with the resources its economy was generating. It was necessary to establish credit. But, what happened then, it could be determined by looking at all projections, including all our exports and a reasonable growth of our exports, that our import needs for development were greater than the growth of our exports.

Since then we have not had any problems with markets. In that sense we are the happiest people in the world. All we produce here has a market in the socialist area, of course, because that is a large market at least with respect to a small country like Cuba. I do not know if it could absorb all that is produced by Brazil, but it is capable of absorbing all that Cuba produces, all its nickel, all its grapefruits, all its tobacco, all its foodstuffs, all its sugar, all its liquors, everything. Our limits are determined by our production capacities, not by the markets' capacities.

Nevertheless, it was clear...you said. I can remember the first projections, our first plans. Now you can imagine what our first plans looked like with our lack of experience. From the year 1960, 1965 to 1970, or from 63 to 68, 5 years, the trade deficit was growing annually. It was clear. In the light of the doctrine, in the light of revolutionary principles, in the light of international solidarity, should it be this way? Simply put, we needed preferential prices for our products. That is the way the preferential price began with our main commodity, sugar. It began with sugar. Sugar had its ups and downs in the world market. The first price we were given for sugar was 6 cents when the world market value was 3 or 4 cents.

Suppose it was 50 percent more at least. Then we discover the law of unequal trade. It was magnificent with 6 cents, so much sugar, so much earning this and that that year. But at the end of the 5 years, what did we have? What we saw was that our sugar had a value of 6 cents over the 5 year period, while the prices of the goods we were importing from socialist countries, which are governed and have historically been governed by the world market prices, were going up. Every year they grew by a certain percentage, that is the price of everything exported to us while our sugar continued to have the same price. Thus, after 5 years sugar had a lower value than it had the first year.

So a new matter comes up, the need for a sliding price scale. That is the popular import price index. So we obtained a satisfactory price for sugar later on, after many years. Because this did not come from theory but from practice, studies, observed realities. The time came when we had a satisfactory, profitable, even even profitable price for our sugar. But another clause was added, a sliding price clause. Import goods were analyzed and the price of those import goods rose, the top price of our sugar also rose. It started with sugar. Then it continued with nickel, citrus, and continued with our economy's main items. This is how our new economic order was built. It did not come from any book or theory. It came from realities and it was established through the years.

We later discovered that those trade and investment credits were accumulated and they became a debt which, although had very low interest rates -- 2.3 percent, the first credits were around 2 percent -- but they amounted to hundreds of millions. They had to be paid at a given time. This is when our first foreign debt renegotiation was made many years ago. This is when we found a solution because solutions are found when there are equal relations, when there are fair relations between developed countries and developing or under developed countries.

This is how we then made the first renegotiation and payment was deferred 15 years without interest. The debt renegotiation modality was established for a long period of time without interest.

This is the foundation on the principle that this is a debt in theory. In reality... Because the phenomenon continues to be true that developed countries develop even more. And there is a principle we have defined in the CEMA, and that it is is established in the CEMA, that more developed countries within socialist countries should contribute and should struggle for the development of poorer countries, that they come closer to developed countries. That has been established as a principle. It is applied to countries such as Vietnam, Cuba, also countries such as ... [voice in the background says, Mongolia] Mongolia, and other countries. I think that the CEMA there are also Laos, and, I think, Kampuchea. Those countries are even poorer than we are. They have fewer resources.

I believe the principle of pardoning the debt should come from here, to erase the debt. We have not reached that stage yet. But the stage will come where debts should be erased.

This is the same thing we are proposing for all. But in practice it does not affect us because our debt, is renegotiated automatically, long-term, and without interest. So, by not being affected in practice by this problem ... [leaves thought unfinished] what we have to pay in interest is less than five percent of the country's total exports. What we have to pay for the debt's services in the area of convertible foreign currency is less, including some payments, is less than 9 percent of the country's total exports. This situation is perfectly tolerable for us.

It is true that we have not presented this problem as our need. It is not that we are good samaritans, it is not that we are the most altruistic people in the world. I think we are altruistic, I say it sincerely. It is not that we are the most quioxtic people in the world, but I believe we are quixotic.

Our revolution's history and our solidarity with many countries has shown it. Cuba has over 1,500 doctors working abroad. During the first years of the revolution, we were left with 3,000 out of 6,000 doctors. The United States took them, they shamelessly stole our country's brains. They opened the doors to everyone to leave us without teachers, docctors, technicians, engineers. We accepted the challenge by telling those who wanted to leave to leave and said: let's train a new generation of technicians and professionals. Those who stayed helped us.

Today, we have almost 23,000 doctors and over 2,500 are graduating annually. This year, 2,500 doctors graduated. We are having massive graduations while maintaining good quality; we should say, increasing quality. There are around 50,000 Cubans working as internationalists abroad, including engineers, technicians, doctors, and also soldiers. Because we have had to help countries who have been attacked.

One hears about South Africa now. But we have been giving aid to Angola for nearly 10 years. Angola is a country which has been uninterruptedly threatened by South Africa. South Africa is reaching its time of definite crisis just as is imperialism, which is experiencing a castastrophic economic and political situation. We have had tne patience and perserverance of 10 years, without pay. We could not even dream to ask anyone to pay us for helping with soldiers, because the blood of a Cuban revolutionary and Cuban internationalist does not have a price. It cannot be paid with anything. [applause]

Nevertheless, we have taken our struggle against imperialism in a variety of fields. We have helped quite a few countries. There are Cuban engineers, technicians, doctors. There are scholarship holders from over 80 countries in Cuba, over 22,000 scholarship holders. We are the country with the greatest number of foreign scholarship holders per capita in the world. So we help many with what we have. If one figures out how much it would cost to an international organ the free solidarity Cuba gives to Third World countries, it would amount to $1 billion a year. The World Health Organization has to pay $50,000 or $60,000 for a doctor in Africa. Our doctors go there and work. The only thing they get is food and lodging. It does not cost them a penny. A European doctor has to go with his family. They have to pay transportation for the family, vacations, everything, housing. Sometimes, eight of our doctors live in one house. They sleep in bunk beds if they have to. But this aid can amount to over $1 billion annually. Of course, it does not cost us anything in foreign currency. We pay their salaries here in Cuba.

That is the mechanism. We print the money and we collect it. It does not affect our foreign exchange. Our system has certain advantages where all these financial problems are concerned.

We had to begin rationing when the economic blockade began, and it lasted for many years; there are still some products that are rationed in our country. Nowadays we have two markets: One which is rationed and subsidized and which guarantees the indispensable minimum to each citizen; and another market with higher prices, the parallel market. But I want you to know that in Cuba, which is the world's chief exporter of sugar, sugar is rationed. Of course, the price is low and the rations are more or less what people need, but we ration sugar to prevent waste of our resources.

We have achieved our development with international cooperation but also with a great effort on our part. We have done it this way. And we have also -- as I have already said -- shared our cooperation, and we have done it with a will. To express it in a few words, an internationalist spirit has been developed. Where does this internationalist spirit come from? It comes partly from doctrine but it also comes from experience.

When we saw that the socialist countries helped us to survive and defend ourselves, we felt a great moral obligation to express our solidarity with others that were in need and required our help. Experience taught us this. It is a basic duty to reciprocate. For this reason we have said that to be internationalistic is to pay our own debt to humanity. Others have helped us and we have helped others.

We also take action because we are revolutionary, and the term "revolutionary" refers to a category of persons who are perhaps quixotic, dreamers, idealists, who want to solve problems, dispense and struggle for justice. And there are a lot of people like that. I am sure that deep down many of you are like this.

We also take action because we are fighters and have accepted the imperialist challenge of the country that tried to destroy us, that challenge of the system that tried to destroy us, blockade us, and crush us, that threatened us and sent mercenary expeditions, that tried to destabilize us, and planned assassinations of the revolutionary leaders, that did everything! But I have forgtotten those plans, or rather I laugh at them. Their ridiculous plans to eliminate us amuse me, their belief that a revolution can be eliminated by eliminating its leaders, that a revolution is like rabies and that, by eliminating the dog, rabies can be eliminated. They don't realize they would have to eliminate an entire rabid people, that is, an entire revolutionary people, which it is impossible to do. We are fighers and we are motivated by struggle also. I do not believe this is exceptional. We are fighters, we like to fight, and we have been fighting.

I have been describing many of these problems for many years, as we became aware of these serious truths. Because underdevelopment is very serious and it is very difficult to become developed in this world even if you make a maximum effort and save every last penny. By the way, there has been no flight of capital from Cuba; not one cent! Of all the credits Cuba has received, not one cent has fled Cuba, not one cent has been embezzled. We have always done everything possible to optimize our investments. I believe the results can be seen in the levels of education and health of our people, and in many other aspects, objectively. Although we do not claim the work of the revolution has been perfect, it has been a continuous effort, serious and constant, carried out with a degree of efficiency. This was one of our distinguishing characteristics: The fact that not one cent was lost, not one cent of capital fled Cuba.

When you spoke of the causes of the debt, you forgot to mention the fact that capital flight is one of the prime causes of the debt. Because loans were made and the money did not even arrive, or it arrived and left immediately. There are $170 billion Latin American dollars. A Dominican spoke of over $7 billion, and I think this figure is low, but Latin Americans have $170 billion in Switzerland, the United States and other places.

The Yankees are waging a dirty campaign that is just a little cynical, as I explained recently too. They say: Castro recommends nonpayment but Castro is the best payer, and he pays. This is astounding because we have acquired a new standing -- that of being a good payer. Because they have always said we cannot pay and do not lend us a cent. They pressured all the banks, showing that the price of sugar was dropping, that the price of nickel was dropping, that we could not pay! And now they must be very upset by the miracle that the United States says we are the best payers. They do not say we are not a country that can be blockaded although we are a country blockaded by the world's greatest economic power. And we have created our own defensive mechanisms against that blockade, and these are our relations with the rest of the Western World. We are running a risk with the campaign we are waging. We are running a risk. There have been some attempts at pressure, I will say this very discreetly. [laughter] what we have done when we saw anything was to speak out energetically. Of course we react if they take the slightest measure against us. But they must not act to please the Yankees or help them in their economic blockade of Cuba. For this reason we have said that as long as those countries or those banks with which we [words indistinct] that resisted pressure and lend us money that did not flee the country or get embezzled, we will continue to renegotiate with them as long as they do not join in the U.S. policy of blockade.

In short, the policy we will follow is to pay all our creditors that are Third World countries, whatever happens. We do not owe one cent to any U.S. bank or the IMF or to any world credit organization, all of which they control. When we had to build a highway, we could not go to the World Bank to ask for credit. We had to get it from our own sweat, our sacrifices, but we built the highway, the dams, the infrastructure, the schools. I constantly see cables on the World Bank lending money to fix a highway, to build a dam, to build a thermoelectric station. We have done all these things with our own resources, with socialist credits, with help, but we have never received help from any organization. This is the situation of our finances. I believe our position is absolutely correct and is not at all contradictory. We are not going to play a fool's role or react to a provocation or be swept along by intrigues or cooperate with the imperialists in their aggressive policy against Cuba.

I met with the bank representatives the first time we negotiated [word indistinct] some time ago, and we talked and I explained a lot of things to them. The Yankees sabotaged the discussions. They even drew up a paper to challenge all our documentation, and gave a copy to each of the bankers. But we also had a copy. The bankers thought they shared a great secret. And when I spoke with them, I said you are worried. You are checking out the guarantees and you should see what the United States is doing. Look at the campaign they are carrying out. Look at the document you all have in your pockets and that I have too. [laughter] Look what it says. They are sabotaging the negotiations, apparently because they don't want you to [leaves thought unfinished] I told them that we recognize that you trusted us despite U.S. pressures and we are willing to pay but you must cooperate because, if you don't , we will decide how we are going to pay; when, how, and how quickly we are going to pay. We are going to make the decisions. We spoke clearly saying that we understood we had certain moral obligations towards them because, in mid-blockade, they had cooperated but they should not let themselves get swept up in Yankee intrigues or drag their feet.

This was how we renegotiated with that group of banks, two or three years ago. We renegotiate constantly because not everything is renegotiated at once. One amount after another is renegotiated, and that is how it is done.

But we have been running the risk -- the only risk we have run -- that they will be tempted to take reprisals against us because we have been waging this campaign. We have told them that we are going to continue with this campaign and that we cannot be pressured. Very few have tried to pressure us, and they have received their answer.

A short while ago we were talking about how an isolated country can make decisions by itself. We are now talking about joint action by all nations, Latin American and Third World nations, but beginning with Latin America. [words indistinct] proclaiming that an isolated country accept the burden. We prefer prior consensus, united action. We even prefer a dialogue with the creditors, not to pay the debt but to tell them the way in which the debt is to be erased. We can do this elegantly, even in a friendly way. We have explained that. But we also foresee that countries that are desperate will take the step. Some have already taken the step and kept quiet about it. It may happen that some country of sufficient importance will take the step and proclaim that it is going to suspend payment, then it may be the object of a blockade. Foreseeing this circumstance, we have done a lot of work in all the nonaligned countries, all the countries of the Third World. We have sent many documents to all the chiefs of state. And we have also created conditions of solidarity with countries that out of desperation find themselves forced to take that step. We do not consider this ideal but it could happen because no one is certain that the prior consensus, which would be ideal, will be achieved.

It seems to me that this crisis can be unleashed by desperate countries having to adopt the formula of suspending payments. This is a possibility. We have worked toward this, planning a strategy. The United States has shown itself to be lacking in ideas and a little bit desperate. For this reason they have intrigued to present the contradiction between the banner we are raising and the fact that we have renegotiated our debt in convertible currency.

We have been working to increase awareness. This is the culmination of a long struggle. I explained recently how in 1971, 14 years ago, at a meeting in Chile of the ECLA, we discussed the problem of the debt, and it was then $30 billion in Latin America. In 1979, after the sixth summit at the United Nations, we explained the problem. They may have given you material containing my UN speech, in which I analyzed the situation. We saw the situation was accelerating because of the energy crisis, an energy crisis caused first and foremost by the waste of the industrialized nations, which created the conditions that caused prices to rise and made things very difficult for many countries. But the petroleum-producing countries cannot be blamed. You have to blame the wasteful international system that created those circumstances.

I am not going to give you my opinion of how those resources were managed. Unfortunately, they were not handled in the best way by the countries that had those resources.

Then in New Delhi, in 1983, at the seventh summit meeting, we discussed this problem of exchange. We had been discussing all these problems for a long time, and we saw that the crisis, the hurricane was upon us and we were almost in the vortex of the storm. We used the time to carry out multiple activities. The crisis is here and it seems to me that this is the time [changes thought]. Ideas do not generate crises. It is crises that generate ideas. I cannot say that in 1971 we had any idea of the best way to solve this problem. By 1979 we had some idea but we said at the United Nations that the famous decade of development was a joke, that there had been no such development. And we demanded $300 billion in 10 years. Really, in 10 years.

I realized that circumstances were changing, that the absurd situation that had been created gave us the initiative. Because we were not begging. If we begged, they could wait a lifetime and not pay any attention to us. But we were giving. Latin America was giving $37 billion then in 1984 and receiving only $10 billion, $10 billion that are lost to us through capital flight. It turns out that we were giving them almost $40 billion net per year, double what the Alliance for Progress considered necessary for economic and social development in a 10- or 15-year period, plus $20 billion they were stealing from us by lowering prices. We have not yet found coherent and more scientific explanations for that phenomenon, which in fact exists although I cannot explain it.

Comrade (Cuscou) said that this year it would be $26 billion because in addition to the 22 percent drop in prices since 1980, 21 percent had been added in trade with the United States, and the price drop was going to be more than 30 percent. It is an incredible situation that is getting worse and worse.

We were giving them the money. The initiative meant the possibility of our ceasing to give them money and taking the initiative ourselves. This is when I started to draw up all the ideas for solutions, the essence of which is transmit a message to the masses, to the workers, to the middle classes, to the tax payers, even to the industrialists of the developed capitalist countries. In opposition to the possible argument that it would ruin the banks, cause increased taxes, and cause bank accounts to be lost, we drew up an idea in which military outlays were in essence sacrificed, associating in this fashion this struggle to solve the problem of the debt and of the economic crisis with the struggle for peace, which is perhaps the most moving cause in the world, especially in the industrialized world.

In this world, because we were dying exactly as if we were at war, because tens of millions die every year: children, persons without medical care, persons whose lives are shortened because of many reasons, in numbers equivalent to all those who died in World War II, every year! [words indistinct] The message of peace may not strike us as deeply as it does countries that are in a different situation. Nevertheless, I believe we should go with those who are struggling for peace, with those who are struggling for development. We are seeking formulas that are not illusory, that have an objective basis, and can be accepted. We are struggling for the dissemination of all those ideas and for this reason we are attending all these meetings. I would deserve to go to Hell -- and even the liberation theologists who say revolutionaries are also instruments of God would agree I should go to Hell -- if I aspired to save this system, which bears the blame for all this.

What we have proposed is the following: Capitalism is going to die whatever happens; it is a dying regime. But if they tell us that the solution to this problem of the debt, of the economic crisis, of the new international economic order, the creation of conditions for our development, even the possibilities of social change... [changes thought] why are there social changes in a country like Cuba and why do things like those that happened to Cuba happen precisely to Cuba, or to Nicaragua, everything that has happened to Nicaragua, or to Grenada, which they invaded with a specific pretext, and that pretext was the errors of the revolutionaries themselves. Or they invade Santo Domingo as they have invaded many countries, to collect a debt of blood for their social changes, because they are divided countries.

I say that if a struggle to resolve the debt problem, the economic crisis, a new order, and the creation of the conditions for independence [changes construction] because it is not now a matter of building socialism immediately. It is a question of immediately achieving the independence we have lost and which we have less of than we had under the Spanish Government. (?This would be) objective.

While we were governed through viceroys, the Yankees govern us through their proconsuls, every day all day. They not only govern us, they indoctrinate us every day. They brainwash us truly with all the means of communication as you know perfectly well. And if this is true, we are not talking about building socialism immediately. We do not oppose socialism, not at all. [laughter] But tell me whether solving all these problems while increasing the possibilities of peace -- decreasing the danger of war by using a part -- 30 or 40 percent -- of the trillion years that are spent on arms to solve the debt problem, the economic crisis, and pay for the new economic order -- the new economic order has to be translated into much greater income from our exports -- If the price of all this is that the life of capitalism is to be prolonged for 10 or 20 or 30 years, this is a price we sh ould pay gladly.

I would say that this struggle tends to preserve humanity, if we can win out, and I believe we can. A group of petroleum-producing countries imposed its prices in a certain situation. A group of coastal nations with the aid of Third World nations imposed the 200-mile limit. A few battles have been won. I believe that all the Third World countries together can fight this battle at a decisive moment and win it.

I told myself, let's suppose that all these suppositions cannot coincide because mankind is not wise enough, not sane enough to do what should be done at a time like this. The danger of war will remain and that is not completely agreeable. But someone proposed today that this problem be discussed in the meeting between Gorbachev and Reagan if they are going to talk peace, and of reducing the arms race. This is a logical suggestion, very logical. I don't know whether we can convince them, but it is logical they should discuss what is going to be done with those resources. And that would be the even better news for humanity, news not only of detente and of the hope of a reduction of the arms race but also of the investment of a considerable part of those resources in the solution of the problem of the crisis, the debt, development, and all those things.

At heart, I am convinced that this situation is going to increase our awareness. I speak of revolutionary explosions and not of revolutions because I believe that subjective factors for resolution do not exist. They are still far away. The masses themselves do not understand the phenomenon of imperialism but I believe they will learn it with this daily lesson. What is the debt? The masses do not yet understand it fully, which is why a great deal of information must still be disseminated. They are nevertheless learning rapidly.

Here we have seen Indians from the Andes who have transmitted their message to us on the debt, and it was impressive. And if they, who have had little chance to study, understand the problem and can explain it and transmit their message, I believe that when this problem has reached the awareness of the workers, the peasants, the students, the intellectuals, the middle class, all the progressive, nationalistic, patriotic sectors of Latin Amerca, which are the immense majority -- because the only persons who will not benefit are a minority -- I believe we will have taken a great step forward in solving this problem. The subjective conditions will have approached the objective conditions, and if it is is not resolved the way we are suggesting, which seems to most rational to us, then there will be no other solution than that of revolutionary explosions, with a lot more danger of every kind. But let me say, we have no fear of revolutions, the word revolution does not frighten us, and we accept revolution as a possible solution. But we believe the possibility of resolving the problem in the most rational and peaceful way should be used. And if this cannot be achieved, then the solution will have to come. I say there is a baby waiting to be born and it will have to be born come what may.

With or without an attending physician. That is, the midwives aren't very visible yet but when the time comes the baby will be born and the midwives will show up as they always do. The midwives of history always show up. They do not make themselves midwives of history; history makes them midwives.

If Marti had been born in the 17th century, he would not have forged the party of independence. Marx and Engels and Lenin would not have been able to write their books. They could have written on utopia 100 years earlier but they could not have written about scientific socialism. If Lenin had been born in another epoch he would not have been Lenin. Neither would Bolivar, so justly praised today, have been Bolivar if he had lived 100 years later or 100 years earlier. And neither would Sucre or San Martin or Morelo or Juarez.

He tells me he considers himself a history maker. It is not the man who makes history. It is history that makes the man. Everytime there has been a crisis and a need during any era, leaders have emerged.

I believe this responds to many of the comrades statements that we are mediators between the Third World countries and the socialist countries. We have always been the lecturers. We have always been defending all these points of view. I remember when 10 years ago the new peace order, the new international economic order was discussed, the socialist countries provided their cooperation. When the Law of the Sea was being discussed, when though this idea was detrimental to the socialist countries, including ourselves, we were the advocates of the Third World countries supporting their Law of the Sea claims. They had large fleets and this was detrimental to them but they offered their support. I have no doubt that the socialist countries and all the progressive forces, including capitalistic countries not known as colonial forces, would support the solution to this problem.

I am sure that if we accomplish that unity, the United States will be isolated with just a few countries. I am convinced of that. In the United States itself, there are people who are thinking about the youth meeting. I read a recently published article in the WALL STREET JOURNAL. My pronunciation is always very bad. [laughter] The article says we have reason, that the formula is correct and no other formula would resolve anything. I was amazed. So I am going to run the risk of being accused of being the savior of [words indistinct] which is the last thing I ever imagined in my life [laughter] but I hope that I would be just with everyone [laughter]. Not just with myself but with you because with this formula you are proposing here, it could be that you will be accused in the future of being saviors of capitalism. I believe that it is more likely you will be accused of being saviors of peace, saviors of the future, the peoples' destiny. Thank you very much. [applause]

Castro Views Drug Trafficking

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[Question and answer session given by Cuban President Fidel Castro at the Latin American press forum on the regional financial crisis at the Palace of Conventions in Havana on 17 September -- recorded]

[Text] [Moderator] President Castro will answer a question by Bolivian delegate Raul Rivadeneira regarding drug trafficking.

[Rivadeneira] Mr President, what political actions would you recommend to face this social and economic scourge?

[Castro] Look, this problem is being broached in the wrong way, not by you, but by the governments. I believe that drug trafficking has become a source of revenue for many countries and a way of life for millions of people. It was not the Latin American countries that invented narcotics trafficking. It was the U.S. consumer society, its degenerative process that created the huge market. They have cars, televisions, videocassettes, and all those things they have; they needed drugs, which is not a generalized phenomenon in Latin America, nor do I believe that the consumption of drugs is generalized in Latin America. The market is there; all of the systems and infrastructures were created by them. Throughout the past year, taking into account the average of the past 15 years, we kept statistics on the airplanes and boats we have captured. We only included those that arrive here on the coasts because they have run aground or lost their way. Sometimes they suffer damages, and we capture them while they are in our territorial waters. Also, there are airplanes that must land because they are out of fuel. Often [words indistinct] violating our airspace, and they ignore this because they know we will not fire at them. We do not fire at them because sometimes they are not drug traffickers but persons who are lost. Sometimes there are entire families on these airplanes.

Of course, sometimes they do not land because Cuba has such a bad reputation that they are afraid to land here. If we shoot at them we could perhaps kill an entire family or a businessman, a reporter, or even a legislator who is traveling. Therefore, it is a difficult decision to fire at airplanes.

In the past when we came across pirate ships, we were careful, and if they did not stop we had to fire. When the pirate attacks stopped, we [words indistinct]. We have annual statistics on violations. However, we cannot [words indistinct] a vehicle and search it. How can we stop an airplane in the air to see what it contains unless the technology, the super technology, can provide us with an apparatus to establish if an airplane is carrying marijuana or cocaine [laughter], or a dog in the air. [crowd laughs] Almost all of the airplanes are American. Most of the boats are Americans, although not always carrying Americans, although they have distinguished agents and highly regarded disciples in many places -- Colombia, Peru, Ecuador, Bolivia, and all over.

They created the problem. Now they expect the solution to be a solution involving fumigation equipment, police, repression, pesticides, threats, and blackmail. The Latin American governments, as in almost everything unfortunately, have adopted a mistaken attitude in regard to the problem. In my opinion it is the same attitude they display regarding the debt problem, the unequal trade exchange, and all the other things they have to tolerate.

(?Our position is very weak) [words indistinct]. Reagan has gotten it into his head to eliminate drug trafficking to preserve the valuable U.S. society, which is so saintly and pure, and tarnished and corrupted by these Latin American bandits who produce marijuana, cocaine, and so on. And even the coca leaves that the Indians chew, just as they drink tea or coffee -- the Indians have historically chewed coca leaves to mitigate their hunger -- they want to uproot those plants also.

This is an economic problem. I know this because I have met persons who participated in Mexican Army operations, Mexican reporters who report on valleys formerly planted with corn that are now completely planted with poppy plants. Tens of millions of plants in the valleys [passage indistinct] and other things because it brings more money and solves the problems of hunger and poverty these people have. These drugs have become the source of living created by them [the U.S.] and this is only one economic solution, because the governments find they have economic problems that they [word indistinct] because it is very difficult for these governments to be told that they are corrupt. It is very difficult to eliminate drug trafficking.

We have a problem here because [words indistinct]. Marijuana is easy to plant in a pot. It is a rare thing to find someone without a little marijuana plant. In former times, the peasants cultivated it but they did not use it.

It brought them more than coffee, so they sold it. There never was a cocaine problem. This is a new problem. During the years of the revolution, it was used very little, only by politicians and millionaires. The use of marijuana is a little more extensive. When we went to Sierra Maestra, as further proof of the peasants' cunning, we did know what a marijuana plant looked like. More than a year later we discovered that the coffee plantations had some beautiful plants, and they were marijuana plants. [laughter] We did not even know this. We have never heard of a rebel soldier smoking marijuana. We did know that Batista's soldiers were given marijuana to give them the courage to fight in the clashes. What we did not know is that those plants were marijuana plants; what we did no know is that many of our collaborators who easily crossed the enemy lines to bring messages were experts (?in marijuana) before we got there. They were the ones who mobilized the drugs, and the peasant (?conspiracy) existed in that the peasants trusted us and were our friends. They discussed the problem. It was never spoken of before. Fifteen or 16 months later we discovered that it was marijuana.

I remember that one companero, who knew about the problem, made the following proposal: All right, let us issue a law and solve the problem. I told him, look, we are going to win the war first and solve our problems; then we will tackle this, because they have collaborated with us many times. What are we going to do with them? Take them as prisoners? Fight against them? Let us leave things as they are until the war ends. When the war was over we were asked to issue a law, so we issued the agrarian law. However, we did nothing about the other problem;we did not even discuss the issue. Idealism and a lack of realism. However, I was aware ... [changes thought] we knew how many people were [words indistinct] and those people had helped us for a long time in a conspirational manner. They knew more or less what we thought; they know or suspected that we would be against this, so they did not say a word.

When the war was over no one was sent to prison; we gave land to the peasants, we gave them credits to till the land, increased the price of coffee, set up schools, sent doctors, and opened roads; we did everything. Then, banning marijuana production was not a problem and that was the end of marijuana growing in this country. That was the end of marijuana trafficking. I truthfully believe that only a society like ours can solve that problem. Not everyone can resolve it. Everyone is corrupt: the police, government officials, all kinds of crooks. There is no way to fight it. However, at least governments are pressured to fight it.

Mrs Reagan lifted a finger to fight it. [crowds laughs] This is a new phenomenon. I had never seen anything like that. [crowd laughs] Well, she has her own style, calling the wives of the heads of state. She raised a hand and moved her pinkie. First ladies flocked to Washington. I can imagine how hard dressmakers and hairstylists must have worked during those days. [crowd laughs] It must have been terrible. [crowd laughs] Just one finger, and the first ladies who were invited rushed over there to discuss the drug problem. However, I think that they should have called the U.S. Government and told the United States: You have created the problem, the market, the traffic, the whole situation. We are willing to help you, to help the American people, because you are asking us to help you. However, you must pay us economic compensation for 10 years from your millions of millions. Then we (?could reestablish an) economy based on agriculture and create all those conditions for the peasants (?instead of creating) a political problem.

Moreover, I want to point out that these things show up on the balances of payment and revenues. I believe that is one of the reasons why Colombia has one of the -- we are speaking not as a journalist but as a debater of a problem [changes thought]...the thing is that Colombia was receiving more money from drugs than from coffee and the other crops it grows. There were years when $5 billion was earned. Part of that money remains there. That explains how Colombia, with a trade deficit of $2 billion in 1984, having exported $3 billion and imported $5 billion, has lower debts than other countries; it only has a $12.5 billion foreign debt. Meanwhile, Peru owes $14.5 billion, while other countries have larger debts. Some countries that are our friends have invisible revenues from cocaine: Colombia would have a foreign debt of at least $25 billion or $30 billion. This is because part of the money stays. Colombia is the only country where the dollar was cheaper on the street than in the bank. There were so many dollars and so many people exchanging dollars for pesos that the price of the dollar fell. It is the only country in the world where this has happened.

Therefore, I believe this is the mainstay for millions of people in some countries. It is an invisible source of revenue for other countries. Reagan's crusade has aggravated the problem. Then there is practically nothing left but to speak of revolution because if the problem is going to be resolved by making it worse and worse, then let it become worse. [crowd laughs] However, Reagan is making the problem worse. For Bolivia, and citing special estimates -- there are many specialists on Bolivia who know more or less how much comes in through that channel [Castro chuckles] -- it would wait to be seen how much credit would go away. [sentence as heard] However, part of that money would stay: $2 billion, against $700 million in exports, which I believe are your exports, approximately $700 million. However, $2 billion were going in. Naturally, this leads to corruption; it is tremendous. However, the logical answer to that is to economically compensate the countries. That is the only way to have the moral authority to demand that or give governments the opportunity without forcing them into deeper bankruptcy while fighting the problem.

However, how will this be resolved? This will be resolved because in the United States there are 48 states producing marijuana, more than half of the U.S. states -- no, almost all the states -- [changes thought] more than half of the marijuana that is consumed is produced in the United States. There are laboratories producing synthetic cocaine. It is easier to make synthetic cocaine than penicillin, which was obtained from a fungus, when that Englishman -- what's his name, Galeno [voice in background says Fleming] -- Fleming, simply invented the penicillin [corrects himself], discovered penicillin. Then they began to improve the fungi gene pools, increased productivity not through genetic engineering, but through traditional selection processes, until one day chemistry and technology made the synthetic production of many of these products possible. They even design them. I have spoken with chemical researchers who have told me how a molecule can be designed in a laboratory today. Now they do not only discover natural products, but also design molecules just like an architect designs a house. A molecule with given characteristics is designed to fulfill given objectives in medicine. Synthetic penicillin is higher in quality than natural penicillin, purer. And that is how cocaine will be. It is not completely pure yet. I was also told that it is so potent that four people died [crowd laughs] when they took a normal dose of it. It was about four times as strong as the other one.

Then how are they going to solve the problem if they cannot do it? They themselves now admit that there is more trafficking now, despite all the measures they have adopted and all the threats they have made.

Governments cannot stop this trafficking because this would create other social, political, and even economic, public order, and foreign currency problems. The problem will be solved when the Yankees are completely self-sufficient in marijuana, coaine, heroine, and all those products.

The entire Reagan campaign will become a new manner of protectionism. [crowd laughs] I hope that the Yankees will not think one day of dumping their cocaine and their synthetic drugs. [crowd laughs] That would surely be a problem. I have told the members of the press and Americans that the focus is wrong. You must pay compensation because you created the problem. I believe all of this is related to this situation of economic crisis, underdevelopment, and poverty. I believe that it can all be lumped together; this is just one more thing. As long as peasants continue to go hungry they will continue to grow marijuana. As long as they continue to be oppressed, poor, and without schools or hospitals, peasants will continue to grow this product. Moreover, they will do this as long as there is a market for it. As I said before, the market will probably be saturated [words indistinct]: It is shameless to be training policemen, sending arms, pesticide spraying equipment, and insecticides to Latin America when there are thousands, tens of thousands of people growing marijuana in the United States! They do not control that there, while they threaten you with taking sanctions if you do not control marijuana growth in those immense jungles and lands of South America. And over there, there are all of those people with all those dogs, there are policemen, and all of those technical experts and they cannot control it. It is incredible, absurd, practically humiliating to see how they have handled this problem.

Listen to this, Braulio Caballero, [not further identified] who worked at those meetings in the jungle so many times. And the lady, with her finger! [crowd laughs] That is a new form of protocol to call a first ladies meeting! By raising the hand and moving the pinkie [crowd laughs] And everybody goes to Washington. I do not know if you know how that meeting turned out. I thought: What a thing, look at the world we live in, what a lack of reciprocity, and equality in this world. [crowd laughs, applauds]

CASTRO WARNING ON RADIO TRANSMITTERS

FL201414 Havana Television Service in Spanish 1101 GMT 20 Sep 85

[Text] With closing remarks by Commander in Chief Fidel Castro, the Latin American Press Forum on the Regional Financial Crisis, which met for 3 days with the presence of journalists, economists, sociologists, and essayists from 23 countries, has concluded in Havana's Palace of Conventions.

At the closing session, held as a prolongation of the final session, which began at 1500, Commander in Chief Fidel Castro made the following remarks:

[Begin recording] Permit me to perform what I consider a basic duty: To express, although Margolles has already done so, my deepest gratitude for the privilege it has been for me and all our Cuban comrades to have the chance to participate in a meeting of such high quality as this one has been, and to thank you for the great amount all of us have learned, and for the stimulus and the hope that comes from having been able to observe how many ideas, what depth, and what scientific, journalistic, political, and human qualities exist within our peoples and within our hemisphere.

What we can promise you is that we will intensify our struggle for these objectives. I want to express my conviction and, I am sure, that of all our comrades that we will never forget this meeting which, if there is a follow-up, if the ideas continue to develop as I believe they are going to, if initiatives such as supporting the action of the 23d [not further explained], the idea of publishing a magazine, as Dos Santos said, and many other ideas that will arise are followed up, then this meeting will be historical.

Count on us, count on PRENSA LATINA. Really, PRENSA LATINA has become underdeveloped, not its spirit but its physical plant, its material basis. It is located in the same office as when it was founded, when Masetti, with great encouragement and support by Che, worked to found the agency during the early years of the revolution. We are trying to provide it with installations and equipment because I believe that in this struggle -- the means of communication, a press agency that will break the terrible monopoly that exists ... and I wish it were not only one press agency! I hope more press agencies develop that can serve as a means of communication and counteract.... We do not have only PRENSA LATINA, which is at your service. We also have radio. We have powerful radio stations,which we have used to transmit the programs of the meetings. They existed before. They are weapons we have here because they are threatening us with subversive radio. We have very powerful stations! Both medium wave and shortwave. Let me tell you that by putting some equipment together we can get together 1,000 kilowatts, not 50 or 100. If we turn on these stations, radio will not be heard again in the United States. But I hope we will not have to use them for this purpose, as a response, if they do not take advice, if they persist in their plans for a campaign of subversion. But they can be useful on shortwave, not medium wave. On medium wave they could interfere. Some of these stations, if they are put in use, would reach Alaska with medium wave.

These stations also have enough power to reach the whole world on shortwave without interfering with anyone's radio. If the journalists want to spread their ideas, or economists, or scientists, they can use it to do so. We feel morally obliged to make an effort to increase PRENSA LATINA's resources and dissemination. Immediately following some of these meetings and to avoid distortion, and also because some newspapers, even some rightist newspapers, expressed interest in some of these meetings, PRENSA LATINA sent them the material directly although they were not subscribers, and a lot of them had expressed interest. When we have been interested in distributing certain material and our interest has coincided with the interest of the press in receiving the information, we have sent it directly without charge. An agency like this has to be at the service of the cause and cannot wait until a subscription has been paid for to send out information. I mean that many of these articles and studies can be sent directly to everyone who is interested without being a subscriber.

Someone spoke here of alternative media, saying that in Chile more than 100 cassettes were recorded of the closing ceremony of the Latin American meeting. This is really an alternative medium. Television stations sometimes copy what they are interested in, and I think there is great possibility here to break the monopoly without great expenditures or resources. All those possibilities can also be used for radio in addition to television. Graphic services could also be provided, not only news but also documentaries. I think a lot can be done through the agency without allocating great resources, by counting on the cooperation of a lot of people.

As I have said several times these past few days, problems are not always solved with money. There are many problems that cannot be solved with money; they require the effort, the goodwill of man, and the cooperation of man. We will place all these resources at your disposal. And I repeat that if we provide a follow-up to this work, I believe we will be able legitimately to say that this meeting, this dialogue, this forum will be historical. Thank you. [applause] [end recording]

NONALIGNED FOREIGN POLICY STANCE TO BE MAINTAINED

FL161530 Bridgetown CANA in English 1421 GMT 16 Sep 85

[Text] Georgetown, Guyana, Sep 16, CANA -- New President Desmond Hoyte says Guyana will maintain its non-aligned foreign policy stance.

The lawyer-politician, who took over the presidency when Guyanese leader Forbes Burnham died last August 6, said during a recent newspaper interview: We have a policy from which we will not depart -- that of attempting to be on friendly terms with all countries, with, of course, the exception of South Africa.

We continue to be non-aligned and we continue to frame policy options in an independent way, without reference to any superpower or any other consideration, other than the interests of Guyanese.

He added: There is no reason why we could not be, or would not be, on friendly terms with any country, provided that country respects our independence and sovereignty. But we are not going to do anything to derogate from that independence or sovereignty. We are not going to promise anybody that we are going to vote automatically this way, or that way, on any issue.

Hoyte said that relations between Guyana and Washington could best be described as correct. Diplomatic sources here, however, say relations between the two countries are cool, with Washington critical of the government's socialist stand.

ARGENTINE TEAM ARRIVES FOR ECONOMIC TALKS

FL181520 Bridgetown CANA in English 1503 GMT 18 Sep 85

[Text] Georgetown, Guyana, Sep 18, CANA -- A two member delegation from Argentina arrived in Guyana last night for economic cooperation talks, the government said.

The team, headed by under-secretary of state for international cooperation in the Argentine Foreign Ministry, was due to meet today with senior officials of Guyana's Department of International Economic Cooperation. Discussions will also be held with Foreign Minister Rashleigh Jackson.

No specific details of the talks were released.

STRIKES, HEAVY RAIN AFFECT CANE PRODUCTION

FL161825 Bridgetown CANA in English 2156 GMT 15 Sep 85

[Text] Georgetown, Guyana, Sep 15, CANA -- The state-run Guyana Sugar Corporation (Guysuco) today appealed to cane cutters to turn out for work, indicating the industry management's concern about the toll strikes and heavy rains have had on production. During the past week, the Republic's ten sugar estates produced only 5,020 long tons of sugar or just 53.0 per cent of the target, Guysuco officials said.

Flood conditions at the Albion and Rosehall Estates inhibited grinding operations, while strikes affected production at the Leonora and Skeldon Estates.

For the current second 1985 crop, Guyana has produced 33,075 tons of sugar, or 58 per cent of the target.

BRAZIL

SARNEY DEPARTS FOR CARACAS, MEXICO, NEW YORK

PY211349 Paris AFP in Spanish 1243 GMT 21 Sep 85

[Text] Brasilia, 21 Sep (AFP) -- President Jose Sarney departed today at 0800 for New York where next Monday, 23 September, he will deliver the inaugural speech of the 40th General Assembly of the United Nations. En route Sarney will stop in Caracas and Mexico City. Before departing, Sarney transferred power to Ulysses Guimaraes, president of the Chamber of Deputies.

At 1500 GMT, the presidential plane will land at the Maiquetia Airport, Caracas, Venezuela. Here Sarney will meet with Venezuelan President Jaime Lusinchi for the first time.

From Caracas, the plane will proceed to Mexico City, where Sarney will personally express to President Miguel de la Madrid the solidarity of the Brazilian people with the Mexican people in the wake of the recent earthquakes.

Sarney's party includes Foreign Minister Olavo Setubal who will head the Brazilian delegation attending the General Assembly.

The president will return to Brasilia next Thursday, 26 September.

URUGUAY

PRESIDENT LEAVES FOR UN GENERAL ASSEMBLY MEETING

PY212130 Paris AFP in Spanish 2111 GMT 21 Sep 85

[Text] Montevideo, 21 Sep (AFP) -- President Julio Maria Sanguinetti left for New York at 1800 local time today to attend the 40th UN General Assembly meeting that will begin on Monday, 23 September. Sanguinetti, who will deliver a speech to the UN General Assembly on 24 September, will be the first Uruguayan president to address the United Nations.

DEPUTY ANNOUNCES USSR TO INCREASE PURCHASES

PY202149 Montevideo EL DIA in Spanish 11 Sep 85 p 5

[Excerpt] Colorado Party Deputy Roberto Asiain has announced that the Soviet Union has promised to increase its purchases of Uruguayan products by 12 percent this year. He also said that there is a definite possibility of reaching a trade agreement on a list of products for 1986 before the end of this year, thus allowing a substantial increase of sales to the Soviet Union.

During his recent tour, Asiain met with the Finnish prime minister, members of the presidium of the USSR Supreme Soviet, the Hungarian foreign commerce minister and the vice president, and the Austrian premier and head of state.

Regarding the products the Soviet Union is interested in, Asiain said that instead of traditional goods, it is more interested in textiles, shoes, citrus fruit, and cereals. In this regard he said that to sell the Soviet Union cereals will require skill and effort on the part of the Uruguayan private sector.